

Hearing Date and Time: January 18, 2019 at 10:00 a.m. (Eastern Time)
Objection Date and Time: January 11, 2019 at 4:00 p.m. (Eastern Time)

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	
	:	Chapter 11
SEARS HOLDINGS CORPORATION, <i>et al.</i> ,	:	
	:	Case No. 18-23538 (RDD)
	:	
Debtors. ¹	:	(Jointly Administered)
-----	X	

**NOTICE OF HEARING ON MOTION OF DEBTORS
FOR AUTHORITY TO ENTER INTO POSTPETITION INSURANCE PROGRAM
WITH INSURANCE AFFILIATES OF AMERICAN INTERNATIONAL GROUP, INC.**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

PLEASE TAKE NOTICE that a hearing on the annexed motion (the “**Motion**”), of Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), for entry of an order pursuant to sections 105, 363 and 364 of chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) for authority to enter into a postpetition insurance program with certain insurance affiliates of American International Group, Inc. (“**AIG**”), subsequently extend and renew the program with AIG or any other insurer in the ordinary course of business, and post any collateral in connection therewith, all as more fully set forth in the Motion, will be held before the Honorable Robert D. Drain, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York, Courtroom 118, 300 Quarropas Street, White Plains, New York, 10601-4140 (the “**Bankruptcy Court**”) on **January 18, 2019 at 10:00 a.m. (Eastern Time)** (the “**Hearing**”), or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that any responses or objections (the “**Objections**”) to the Motion shall be in writing, shall conform to the Bankruptcy Rules and the Local Bankruptcy Rules for the Southern District of New York, shall be filed with the Bankruptcy Court (a) by attorneys practicing in the Bankruptcy Court, including attorneys admitted pro hac vice, electronically in accordance with General Order M-399 (which can be found at www.nysb.uscourts.gov), and (b) by all other parties in interest, on a CD-ROM, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Bankruptcy Court and General Order M-399, to the extent applicable, and shall be served in accordance with the *Amended Order Implementing Certain Notice and Case Management Procedures*, entered on November 1, 2018

(ECF No. 405), so as to be filed and received no later than **January 11, 2019 at 4:00 p.m. (Eastern Time)** (the “**Objection Deadline**”).

PLEASE TAKE FURTHER NOTICE that if no Objections are timely filed and served with respect to the Motion, the Debtors may, on or after the Objection Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed order annexed to the Motion, which order may be entered without further notice or opportunity to be heard.

PLEASE TAKE FURTHER NOTICE that any objecting parties are required to attend the Hearing, and failure to appear may result in relief being granted upon default.

Dated: December 28, 2018
New York, New York

/s/ Sunny Singh
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Hearing Date and Time: January 18, 2019 at 10:00 a.m. (Eastern Time)
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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re :
 : **Chapter 11**
SEARS HOLDINGS CORPORATION, et al., :
 : **Case No. 18-23538 (RDD)**
 :
 : **(Jointly Administered)**
Debtors.¹ :
-----X

**MOTION OF DEBTORS FOR AUTHORITY
TO ENTER INTO POSTPETITION INSURANCE PROGRAM
WITH INSURANCE AFFILIATES OF AMERICAN INTERNATIONAL GROUP, INC.**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

TO THE HONORABLE ROBERT D. DRAIN,
UNITED STATES BANKRUPTCY JUDGE:

Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**” and, together with their non-debtor affiliates, the “**Company**”), respectfully represent as follows in support of this motion (the “**Motion**”):

Background

1. Beginning on October 15, 2018 (the “**Commencement Date**”) and continuing thereafter, each of the Debtors commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On October 24, 2018, the United States Trustee for Region 2 appointed an official committee of unsecured creditors (the “**Creditors’ Committee**”). No trustee or examiner has been appointed in these chapter 11 cases.

3. The Debtors’ chapter 11 cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

4. Additional information regarding the Debtors’ business, capital structure, and the circumstances leading to the commencement of these chapter 11 cases is set forth in the *Declaration of Robert A. Riecker Pursuant to Rule 1007-2 of Local Bankruptcy Rules for*

Southern District of New York, sworn on October 15, 2018 (the “**Riecker Declaration**”) (ECF No. 3).²

Jurisdiction

5. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.). This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

6. By this Motion, the Debtors request authorization, pursuant to sections 105, 363 and 364 of the Bankruptcy Code, to enter into a postpetition insurance program with certain insurance affiliates of American International Group, Inc. (“**AIG**”), subsequently extend and renew the program with AIG or any other insurer in the ordinary course of business, and post any collateral in connection therewith. A proposed form of order granting the relief requested in the Motion is attached hereto as **Exhibit A** (the “**Proposed Order**”).

7. The Debtors have previewed the Motion and the AIG Insurance program with the Creditors’ Committee, the DIB ABL Agents, and the Junior DIP Agent, and such parties consent to the motion or do not oppose its approval and entry of the Proposed Order.

The Insurance Program

8. Prior to the Commencement Date, the Debtors maintained an insurance program with ACE American Insurance Company and certain of its affiliated insurance companies (collectively, “**Chubb**”) which provided coverage for workers’ compensation, general liability, and automobile liability (collectively, the “**Prepetition Insurance Program**”).

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Riecker Declaration or the Final Insurance Order (as defined herein).

On the Commencement Date, pursuant to the *Motion of Debtors for Authority to (I) Continue, Maintain, and Renew Their Insurance Policies and Workers' Compensation Program; (II) Honor All Obligations with Respect Thereto; and (III) Modify the Automatic Stay with Respect to the Workers' Compensation Programs* (the “**Insurance Motion**”) (ECF No. 17), the Debtors sought authority to continue and renew the Prepetition Insurance Program in the ordinary course of business. On November 16, 2018, the Court approved the Insurance Motion on a final basis (the “**Final Insurance Order**”) (ECF No. 792). The Prepetition Insurance Program is scheduled to expire on December 31, 2018 and Chubb has indicated it is not willing to renew the Prepetition Insurance Program. To operate their businesses from and after January 1, 2019, and to remain in compliance with applicable law and contractual obligations, the Debtors must have current insurance in place.

9. The Debtors, with their insurance brokers at JLT Specialty Insurance Services, sought bids from various insurers to replace the expiring Prepetition Insurance Program with an insurance program with the same lines of business with similar pricing structures. After several weeks of negotiations and discussions with various insurers, the Debtors have determined in their business judgment to enter into an agreement with AIG for various policies providing three month coverage for, general liability, workers' compensation (the “**Workers' Compensation Policies**”), and automobile liability (the “**Automobile Liability Policies**” together with the Workers' Compensation Policies and General Liability Policies (as defined below), the “**AIG Insurance Program**”).³ Coverage under the AIG Insurance Program is scheduled to commence on January 1, 2019 and expire on March 31, 2019, subject to three additional three month extension options exercisable upon the consent of AIG and payment of

³ The specific details of the program are set forth in the binder, attached hereto as **Exhibit B**

additional premium. Importantly, although AIG has agreed to bind coverage as of January 1, 2019, if the Proposed Order is not entered by the Court on or before January 18, 2019, AIG will have a right to terminate the AIG Insurance Program.

10. The Debtors are not providing AIG any collateral in connection with the Insurance Program at this time and are instead paying up-front cash premiums to AIG. The cash premiums will include claim handling fees owed to Sedgwick Claims Management Services, Inc., as the Debtors' third-party claims administrator and certain other fees and expenses including surcharges. Additional details of the AIG Insurance Program are set forth below.

11. Workers' Compensation Policies. As described in the Insurance Motion, under the laws of the states in which they operate, the Debtors' are required to maintain workers' compensation coverage for employee claims arising from or in relation to their employment with the Debtors (the "**Workers' Compensation Claims**"). The Workers' Compensation Policies issued under the AIG Insurance Program may include per claim deductible amounts, in which case the Debtors shall also obtain and pay in full for a "**Deductible Buy Back**" policy from AIG, which will fully fund such deductible amounts without further payment by Debtors. The Debtors will pay AIG an upfront premium in the amount of \$10.2 million (inclusive of claim service fees) for the Workers' Compensation and Deductible Buy Back Policies, and in exchange, AIG will provide coverage for Workers' Compensation Claims in accordance with the policy terms arising during the term of the policy up to the applicable statutory limit per claim.

12. Automobile Liability Policies. The Debtors also maintain automobile liability coverage to cover its employees while operating vehicles in the course of their employment with the Debtors. The Debtors' will pay AIG an upfront premium of \$4.2 million (inclusive of claim service fees) for the Automobile Liability Policies and in exchange, AIG will

provide coverage for automobile liability claims in accordance with the policy terms arising during the term of the policy, which shall have a combined single limit of \$5 million per occurrence. In addition, the Debtors will pay AIG an upfront premium of \$188,000 for certain Automobile Policies in Puerto Rico.

13. General Liability Policies. As required under the Debtors' real property leases and other applicable laws and regulations, the Debtors' also maintain general liability coverage for bodily injury or property damage claims of third parties against the Debtors during the term of the relevant policy. The Debtors' will pay AIG an upfront premium of \$7.3 million (inclusive of claim service fees) for a general liability policy covering almost all of the Debtors' properties (the "**Master General Liability Policy**") and in exchange, AIG will provide coverage for general liability claims arising during the term of the Master General Liability Policy subject to a \$5 million aggregate with an absolute liability of \$5 million including allocated loss adjustment expense ("**ALAE**") (*i.e.*, defense costs and all other ALAE are within the policy limits and shall erode policy limits). The claims will be paid from the premium paid to AIG by the Debtors. In no event will AIG be responsible for paying more than \$5 million in aggregate amount including ALAE under the Master General Liability Policy.

14. The Debtors will also pay AIG an additional \$2.3 million in upfront premium to provide general liability coverage for approximately one-hundred and ten (110) of the Debtors' remaining locations in Puerto Rico and the United States that are not subject to the Master General Liability Policy (collectively, the "**Separate General Liability Policies**" and together with the Master General Liability Policy, the "**General Liability Policies**"). The terms of the Separate General Liability Policies vary between each policy depending on the specific location.

15. As part of the Debtors' agreement with AIG, the Debtors shall file an omnibus motion (the "**Approval Motion**") to establish procedures to grant authority to settle and pay general liability claims. The Approval Motion shall request a procedure whereby, on such occasions as AIG may request, notice of proposed settlements and payments (an "**Approval Notice**") shall be filed on the docket and mailed to each other claimant or their counsel seeking recovery under the same policy, providing parties an opportunity to object. If no objection is filed, such settlements and payments may be implemented. Further, such Approval Notice may advise or estimate how much of the applicable policy limits will remain after such settlements and payments. Such Approval Notice shall not be mandatory and AIG may settle or pay claims in the ordinary course of business if it determines to do so. When applicable, AIG may in its discretion request and require that the Debtors file a further approval motion on the occasion when the Approval Notice advises that the policy is potentially to be exhausted by settlements or payments, requesting a determination from the Court that such policy will be exhausted by such settlements and payments. Whether such determination is requested or not, once the aggregate limit of any applicable policy has been exhausted, AIG will have no further liability under such policy.

16. Under the AIG Insurance Program all amounts due are fully earned once paid. Each policy includes a minimum earned premium and the policy premium is not adjusted downward or returned, even if the program is cancelled midterm. In addition, the Debtors have consented to non-renewal of all policies under the AIG Insurance Program at the end of each policy term. Additionally, it is a condition precedent to the inception of each policy under the AIG Insurance Program that AIG receive all amounts due prior to inception and prior to binding of coverage.

17. Pursuant to the Final Insurance Order, the Debtors are authorized to enter into new insurance policies in the ordinary course of business. However, AIG has insisted that the Debtors obtain Court approval of the AIG Insurance Program, and AIG may terminate the AIG Insurance Program unless the Proposed Order is entered by January 18, 2019. Accordingly, although the Debtors believe that the AIG Insurance Program is an ordinary course transaction that is not subject to Court approval, out of an abundance of caution, the Debtors are seeking approval of the AIG Insurance Program as well as any insurance program that requires additional collateral. The Debtors have reviewed the AIG Insurance Program and this Motion with the Creditors' Committee, the DIP ABL Agents, and the Junior DIP Agent and each have consented to the motion or do not oppose approval and entry of the Proposed Order.

The Relief Requested Should be Granted

18. By this Motion, pursuant to sections 105(a), and 363 of the Bankruptcy Code, the Debtors respectfully request entry of the Proposed Order, which would, among other things, authorize the Debtors to enter into the agreements that comprise the AIG Insurance Program.

I. The Debtors' Entry into the AIG Insurance Program in the Ordinary Course of Business is Warranted.

19. The Bankruptcy Code and the Final Insurance Order already authorize the Debtors to enter into and perform under the AIG Insurance Program. Alternatively, to the extent entry into the AIG Insurance Program falls outside of the ordinary course of business, the Court should authorize the Debtors to enter into the AIG Insurance Program on a postpetition basis, as such relief is in the Debtors' sound business judgment and enables the Debtors to preserve value for the reasons set forth in more detail below, consistent with the policies of chapter 11.

20. Pursuant to section 363(c)(1) of the Bankruptcy Code, the Debtors may “enter into transactions . . . in the ordinary course of business” and “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). Although the Final Insurance Order confirmed the Debtors’ authority to revise, extend, supplement, renew or purchase new insurance policies, out of an abundance of caution, and because AIG is requiring Court approval, the Debtors are seeking authorization to enter into the AIG Insurance Program in the ordinary course of business, and pay any amounts due in connection therewith.

II. Entry into the AIG Insurance Program is Permitted by Section 363(b)(1) of the Bankruptcy Code

21. To the extent that the Debtors’ entry into the AIG Insurance Program is outside of the ordinary course of business, section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that “[t]he [debtor], after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Under section 363(b) of the Bankruptcy Code, courts require a debtor to demonstrate that a “good business reason” justifies the proposed use of property. *See Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070-71 (2d Cir. 1983) (requiring a “good business reason” to approve a sale pursuant to section 363(b)); *see also In re Chateaugay Corp.*, 973 F.2d 141, 143 (2d Cir. 1992) (same); *Meyers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996) (noting that under normal circumstances, courts defer to a trustee’s judgment concerning use of property under section 363(b) when there is a legitimate business justification).

22. Once the debtor articulates a valid business justification for the proposed action, it is presumed that the decision was made “on an informed basis, in good faith and in the honest belief that the action was in the best interests of the company.” *Integrated Res., Inc.*, 147 B.R. at 656 (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)). Essentially, just as

the business judgment rule applies under section 365(a) to protect management's decision to assume or reject, under section 363(b) it essentially shields a debtor's management from judicial second-guessing and mandates that a court approve a debtor's business decision unless the decision is a product of bad faith or gross abuse of discretion. *See In re Global Crossing*, 295 B.R. 726, 743 (Bankr. S.D.N.Y. 2003); *see also In re Johns-Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) ("Where the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct.").

23. The AIG Insurance Program is essential to the preservation of the value of the Debtors' business, properties, and other assets. Certain of the policies included in the AIG Insurance Program are required by the various regulations, laws, and contracts that govern the Debtors' commercial activities. Section 1112(b)(4)(C) of the Bankruptcy Code provides, for example, that "failure to maintain appropriate insurance that poses a risk to the estate or to the public," is "cause" for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C). Additionally, the Guidelines of the Office of the United States Trustee for Region 2 (the "**UST Guidelines**") require debtors to maintain insurance coverage throughout their chapter 11 cases.

24. Out of an abundance of caution, to the extent that any transactions involving the AIG Insurance Program are outside of the ordinary course, approval of such transactions is justified under section 363(b) of the Bankruptcy Code. First and foremost, as stated, the Debtors cannot operate their businesses and comply with law, the UST Guidelines, and certain contractual requirements without such insurance. Moreover, the AIG Insurance Program will ensure that the Debtors have adequate coverage for postpetition claims arising

during the policy period. The Debtors negotiated the best possible terms with AIG under the circumstances with the advice and assistance of their professionals, including their insurance broker. Finally, as stated, the Debtors have reviewed the terms of the AIG Insurance Programs with the DIP ABL Agents, the Junior DIP Agent and the Creditors' Committee, and all such parties consent or do not object to the Debtors' entry into the AIG Insurance Program and entry of the Proposed Order. Accordingly, the Motion should be granted.

25. Notice of this Motion will be provided in accordance with the procedures set forth in the *Amended Order Implementing Certain Notice and Case Management Procedures*, entered on November 1, 2018 (ECF No. 405) (the "**Amended Case Management Order**"). The Debtors respectfully submit that no further notice is required.

26. No previous request for the relief sought herein has been made by the Debtors to this or any other Court.

[remainder of page left intentionally blank]

WHEREFORE the Debtors respectfully request entry the Proposed Order and
such other and further relief as is just.

Dated: December 28, 2018
New York, New York

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Exhibit A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re :
: **Chapter 11**
SEARS HOLDINGS CORPORATION, et al., :
: **Case No. 18-23538 (RDD)**
: **Debtors.**¹ : **(Jointly Administered)**
-----X

**ORDER AUTHORIZING
DEBTORS TO ENTER INTO POSTPETITION INSURANCE PROGRAM
WITH INSURANCE AFFILIATES OF AMERICAN INTERNATIONAL GROUP, INC.**

Upon the motion, dated December 28, 2018 (ECF No. [___]) (the “**Motion**”)² of Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), pursuant to sections 105, 363, and 364 of title 11 of the United States Code (the “**Bankruptcy Code**”), for an order authorizing the Debtors to enter into a postpetition insurance program with certain affiliates of American International Group, Inc. (“**AIG**”), extend and renew the program with AIG or any other insurer,

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² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

in the ordinary course of business, and post any collateral in connection therewith, all as more fully set forth in the Motion; and the Court having jurisdiction to decide the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157(a)-(b) and 1334(b) and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the relief requested in the Motion having been provided in accordance with the Amended Case Management Order; such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having held a hearing to consider the relief requested in the Motion on January 18, 2019 (the “**Hearing**”); and upon the record of the Hearing, and upon all of the proceedings had before the Court; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and is in the best interests of the Debtors, their estates, their creditors, and all parties in interest; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted to the extent set forth herein.
2. The Debtors are authorized and directed to enter into and perform under the AIG Insurance Program, to execute and deliver all documents, agreements, or amendments related thereto and perform thereunder.
3. The Debtors are authorized and directed to pay their obligations under the AIG Insurance Program, including, without limitation, premium and losses, in the ordinary course of business, in accordance with the relevant terms of the AIG Insurance Program

including any provision for minimum earned premium, without further order of the Court. The Debtors shall also consent to non-renewal of the AIG policies at the expiration of each such policy.

4. Subject to the terms of paragraph five (5) of the Final Insurance Order, the Debtors are authorized to agree to future amendments, renewals, extensions of AIG Insurance Program or agree to new policies with AIG or any other insurer in the ordinary course of business (and pay any amounts in connection therewith), including policies and programs that require collateral, and to amend, addend, renew, extend or enter into related agreements, agree to and provide any collateral and/or security in connection therewith in the ordinary course of business, and to take other actions in the ordinary course of business, in order to effectuate such transactions without further order of the Bankruptcy Court.

5. In the event of a default by the Debtors under the AIG Insurance Program, AIG may exercise all contractual rights in accordance with the terms of the AIG Insurance Program without further order of the Court, including, without limitation, its rights to (i) cancel the AIG Insurance Program, (ii) draw or make demand on any letter of credit or surety bond, and (iii) receive and apply the unearned or returned premiums to the Debtors' outstanding obligations to AIG.

6. The obligations under the AIG Insurance Program (regardless of whether all or any part of such obligations are liquidated before or after confirmation of a plan or conversion of one or more of the pending cases to chapter 7) shall be administrative obligations entitled to priority under section 503(b) of the Bankruptcy Code and shall be paid on the earlier of the due date or thirty days from the date billed. No additional proof of claim or request for payment of administrative expenses need be filed by AIG. AIG shall be exempt from any bar

date that may be issued for the filing of any proof of claim or administrative claim relating to the AIG Insurance Program.

7. Subject to the terms of the AIG Insurance Program, AIG may adjust, settle and pay insured claims, utilize funds provided for that purpose, and otherwise carry out the terms and conditions of the AIG Insurance Program and the Approval Motions to be filed, without further order of the Court.

8. The Debtors shall comply with requests by AIG to seek Approval Motions and AIG may request such motions be filed prior to any particular payment to or on behalf of any non-workers compensation claimants.

9. ALAE payments under any and all policies, and all other expense covered by any of the policies, may be paid by AIG in the ordinary course of business without further order of this Court.

10. The AIG Insurance Program shall be binding on all successor and assigns, including, without limitation, any trustee or liquidating trustee, and may not be altered by any plan of reorganization filed or confirmation order entered in these chapter 11 cases and shall survive any confirmed plan of reorganization.

11. The Debtors shall reimburse AIG for its reasonable and necessary legal fees and expenses incurred in connection with the AIG Insurance Program, including in connection with obtaining the approval of this Order and approval of the Approval Motions.

12. Notwithstanding anything in the Motion or this Order to the contrary, any payment made or action taken by any of the Debtors pursuant to the authority granted herein, as well as the exercise of any and all other rights and authorizations granted or approved hereunder, shall be subject in all respects to, as applicable: (i) the orders approving the Debtors' use of cash

collateral and/or post-petition debtor-in-possession financing facilities (collectively, the “**DIP Orders**”); (ii) the other documentation governing the Debtors’ use of cash collateral and postpetition financing facilities; and (iii) the Approved Budget (as defined in the DIP Orders).

13. To the extent there is any inconsistency between the terms of any of the DIP Orders and this Order, the terms of the DIP Order (or DIP Orders, as applicable) shall control.

14. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order.

15. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

Dated: _____, 2019
White Plains, New York

THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

Binder

Binder For Casualty Insurance Program

for

SEARS HOLDINGS CORPORATION

In consultation with your Representative

JLT SPECIALTY INSURANCE SERVIC

by



**Commercial Casualty
National Accounts - Risk Management**

PREPARED BY:	Jean-Christophe Beugre
DATED:	12/28/2018
EFFECTIVE DATE:	01/01/2019
EXPIRATION DATE:	04/01/2019

SECTION 1 - POLICY NUMBERS, POLICY COMPANIES Pg 24 of 98

Policy Number	States Covered	Issuing Company	Line of Business
CA 9767458	AK,AL,AR,AZ,CA,CO,CT,DE,FL,GA,HI,IA,ID,IL,IN,KS,KY,LA,MD,ME,MI,MN,MO,MS,MT,NC,ND,NE,NH,NJ,NM,NV,NY,OH,OK,OR,PA,RI,SC,SD,TN,TX,UT,VA,VT,WA,WI,WV,WY	National Union Fire Insurance Company of Pittsburgh, Pa.	Automobile Liability
CA 9767459	MA	National Union Fire Insurance Company of Pittsburgh, Pa.	Automobile Liability
DBP 012717076	IL	The Insurance Company of the State of Pennsylvania	Deductible Buy Back
GL 5425885	AK,AL,AR,AZ,CA,CO,CT,DE,FL,GA,HI,IA,ID,IL,IN,KS,KY,LA,MA,MD,ME,MI,MN,MO,MS,MT,NC,NE,NH,NJ,NM,NV,NY,OK,OR,PA,SC,SD,TN,TX,UT,VA,VT,WI	National Union Fire Insurance Company of Pittsburgh, Pa.	Other Liability
GL 5425886	IL	Illinois National Insurance Co.	Other Liability
GL 5425887	TX	Illinois National Insurance Co.	Other Liability
GL 5425888	IN	Illinois National Insurance Co.	Other Liability
GL 5425889	NY	National Union Fire Insurance Company of Pittsburgh, Pa.	Other Liability
XWC 5565590	WV	National Union Fire Insurance Company of Pittsburgh, Pa.	Statutory Workers' Compensation and Employers' Liability
XWC 5565591	OH,WA	National Union Fire Insurance Company of Pittsburgh, Pa.	Statutory Workers' Compensation and Employers' Liability
XWC 5565592	OH,WV	National Union Fire Insurance Company of Pittsburgh, Pa.	Statutory Workers' Compensation and Employers' Liability
WC 012717069	CA	American Home Assurance Company	Statutory Workers' Compensation and Employers' Liability
WC 012717070	FL	Illinois National Insurance Co.	Statutory Workers' Compensation and Employers' Liability
WC 012717071	AK,AZ,VA	New Hampshire Insurance Company	Statutory Workers' Compensation and Employers' Liability
WC 012717072	NJ,PA	New Hampshire Insurance Company	Statutory Workers' Compensation and Employers' Liability
WC 012717073	AL,AR,CO,CT,DE,GA,HI,IA,ID,IN,KS,LA,MD,ME,MI,MN,MO,MS,MT,NE,NM,NV,NY,OK,OR,SC,SD,TN,TX	New Hampshire Insurance Company	Statutory Workers' Compensation and Employers' Liability
WC 012717074	IL,KY,NC,NH,UT,VT	New Hampshire Insurance Company	Statutory Workers' Compensation and Employers' Liability

WC 012717075	MA,ND,WI,WY	The Insurance Company of the State of Pennsylvania	Statutory Workers' Compensation and Employers' Liability
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ACKNOWLEDGED ON BEHALF OF:

Risk Management
By (Print Name) :
By(Signature) :
Title :
Date :

Insured : SEARS HOLDINGS CORPORATION
By (Print Name) :
By(Signature) :
Title :
Date :

Broker : JLT SPECIALTY INSURANCE SERVIC
By (Print Name) :
By(Signature) :
Title :
Date :

SECTION 1 - THE CONTACTS

Risk Management is committed to providing superior service on your Insurance Program. The people listed below are the primary team representatives for your account.

Contact Name:	
Company Name:	SEARS HOLDINGS CORPORATION
Street:	3333 BEVERLY RD DC-250B
City:	HOFFMAN ESTATES
State:	IL
Zip:	60179-0001
Telephone #:	

Your Representative Contact Name:	Gregg Henkin
Company Name:	JLT SPECIALTY INSURANCE SERVIC
Street:	350 MADISON AVE
City:	NEW YORK
State:	NY
Zip:	10017
Telephone #:	(212) 510-1848

Our Account Representative Contact Name:	Jean-Christophe Beugre
Company Name:	AIG Risk Management
Street:	80 PINE ST, 5 FL
City:	NEW YORK
State:	NY
Zip:	10005
Telephone #:	(646) 857-0111

Other Important Contacts	
Name	
Title	
Telephone #	

SECTION 1 - INFORMATION ABOUT RISK MANAGEMENT NATIONAL ACCOUNTS DIVISION

For more than 20 years, Risk Management (RM) has been known in the marketplace as the leading provider of sophisticated risk management programs for large, national accounts. Our National Accounts Division focuses on corporations with annual revenue in excess of \$750 million. RM professionals can devise integrated risk management programs for most hazards and exposures in your operations. In designing a customized program for our clients, we explore a variety of financing and coverage options: guaranteed cost, self-insured retentions, large deductibles, incurred-loss and paid-loss retention plans, and captive arrangements. Buy-outs and loss portfolio transfers are handled by a separate profit center within Risk Management (Division 86). We can also combine and/or coordinate our program with a spectrum of products and services available within the diverse member companies of AIG Property Casualty, allowing us to create a comprehensive program that meets most, if not all, of your risk management needs. Our creative approach to solving our clients' simplest to most difficult problems has propelled us to be a market leader in risk management solutions for national corporations.

Quality Service

Our excellence is rooted in the belief that a quality insurance program entails more than just sound underwriting; it requires customer-driven service. Each RM client is assigned an individual who focuses on your business strategies, understands your needs, and works with you to find solutions to your risk concerns. We work with AIG Claims, Inc. or your chosen third party administrator to provide an effective cost-containment program. The AIG PC Global Services, Inc. team is unmatched in its loss control and loss prevention expertise. Additionally, we offer a variety of specialized services, including IntelliRisk®, our on-line claims management system, to enhance your risk management programs. RM professionals provide a full range of services to help you manage and control your overall cost of risk.

Financial Strength

AIG Property Casualty's ratings are among the highest of any insurance and financial services organization in the world. AIG Property Casualty provides the most extensive range of commercial and industrial coverages available for corporate and commercial customers, from large multinationals to small businesses. AIG Property Casualty is a longtime market leader in most lines, including the most complex insurance lines. We typically provide the highest insurance limits available and are first to address new or emerging risks. Policies underwritten by AIG Property Casualty provide highly-rated financial strength and specialized claims and loss control services.

SECTION 2 - PROGRAM RATES AND PREMIUMS

Please note that all amounts due under the Insurance Program are fully earned once paid, i.e., all policies include a minimum earned premium, meaning that the policy premium can not be adjusted downward or returned, even if the Insurance Program is cancelled midterm. In addition, acceptance of this quote is consent to non-renewal of all policies under the Insurance Program.

The following are conditions precedent to binding inception and issuance of the policies under the Insurance Program:

- 1) All premium and other amounts due shall be paid by Sears Holdings Corporation and its debtor affiliates in their current bankruptcy cases and their non-debtor affiliates ("Sears");
- 2) Execution of all legal agreements;
- 3) The counsel to the Official Committee of Unsecured Creditors (the "Creditors Committee") and counsel to the DIP ABL Parties and the Junior DIP Agent (the "Lenders") (collectively with the Creditors Committee, the "Consultation Parties") shall state in writing that each of them received five (5) business days notice of the Insurance Program as per the terms Final Order Authorizing Debtors to (I) Continue, Maintain, And Renew Their Insurance Policies and Workers' Compensation Programs; (II) Honor All Obligations With Respect Thereto; and (III) Modify the Automatic Stay With Respect to the Workers' Compensation Programs [Doc 792], or such parties shall have waived such notice in writing;
- 4) In writing, the Consultation Parties consent to the Insurance Program and acknowledge their authorization;
- 5) The insurance company affiliates of American International Group, Inc. ("AIG"), Sears, and the Consultation Parties have approved in writing the motion and order referenced below; Sears has filed such motion on or before December 31, 2018; and Sears agrees to seek approval of the motion on or before January 18, 2019, unless extended in writing with the consent of AIG; and
- 6) The Lenders must state in writing that the payment of amounts due in connection with the Insurance Program is authorized by and consistent with all prior orders filed in the Sears' bankruptcy cases.

AIG AGREES THAT CONDITIONS 3, 4, 5, and 6 HAVE BEEN SATISFIED. THIS PROGRAM SHALL ONLY BE FINALLY BOUND UPON RECEIPT OF PAYMENT.

As stated above, it is a condition precedent to the inception of any policy hereunder that AIG receive all amounts due under the Insurance Program. No extensions of time may be given except in writing by AIG. If the amounts due are not received, no policy will incept or be issued.

Further, you agree that you shall obtain the motion and order as required above both in a form satisfactory to us, and inclusive of the terms in the attached order, among others, and the terms below.

- A copy of the binder.
- Explanation and approval of Sears' consent to non-renewal of Insurance Program.
- Explanation and approval of minimum earned premium on all policies, meaning that the policy premium can not be adjusted downward or returned, even if the policies are cancelled midterm.

Failure to obtain this approval of the existing Insurance Program is grounds for cancellation of the Insurance Program policies.

Estimated Subject Premium

Line Item	Rates	Per	Basis Types	Estimated Basis	Minimum Premium	Estimated Premium
Forecast of <i>Subject Losses</i> in Final Premium	N/A	1	Ultimate Losses		N/A	

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Claims Service Fees	0.2635	100	WC Payroll	259,247,457	\$683,151	\$683,151
Claims Supervision	0.0374	100	WC Payroll	259,247,457	\$96,970	\$96,970
Broker's Commission	0	1	Flat	0	\$0	\$234,000
Total Taxes and Assessments	0.024	100	WC Payroll	259,247,457	\$0	\$62,223
WC-Expenses	0.0344	100	WC Payroll	259,247,457	\$89,127	\$89,127
SubTotal						\$1,165,471
Taxes/Assessments						
Estimated Subject Premium						\$1,165,471
Estimated Non-Subject Premium						
Coverage Description	Rates	Per	Basis Types	Estimated Basis	Minimum Premium	Estimated Premium
Direct Entry GC - GL	0.6391	1	Sq. Footage	78,236	\$50,000	\$50,000
GC-AL Auto Massachusetts	396.2789	1	Power Units/ Vehicles	147	\$58,253	\$58,253
GC-AL The Entire Contract	542.2822	1	Power Units/ Vehicles	7,690	\$4,170,150	\$4,170,150
GC-GL GL Simon JV	7.0545	1,000	Sales	39,376,216	\$277,779	\$277,779
GC-GL GL GGP JV	4.4541	1,000	Sales	62,244,031	\$277,243	\$277,243
GC-GL GL Macerich JV	2.2655	1,000	Sales	75,049,926	\$170,026	\$170,026
GC-GL The Entire Contract	0.7591	1,000	Sales	9,628,317,352	\$7,309,183	\$7,309,183
GC-WC FC Non DBB	0	1	Audited Earned Premium	0	\$0	\$164,741
Non LRRP-WC Florida	0	1	Audited Earned Premium	0	\$0	\$183,637
DBP Premium WC	3.3677	100	WC Payroll	256,039,391	\$8,622,652	\$8,622,652
Excess Premium SIRWC WC QSI Sears WV	0.3167	100	WC Payroll	1,106,394	\$3,504	\$3,504
Excess Premium SIRWC WC QSI Kmart	0.1261	100	WC Payroll	10,471,905	\$13,210	\$13,210
Excess Premium SIRWC WC QSI	0.189	100	WC Payroll	16,725,366	\$31,603	\$31,603
Excess PremiumWC The Entire Contract	0.0202	100	WC Payroll	259,247,457	\$52,437	\$52,437
Estimated Non-Subject Premium						\$21,384,418

Summary of Expected Cost

Estimated Premium (Subject and Non-subject)	\$22,549,889
Expected Reimbursable Losses/ Deductible Loss/Self-Insured Losses and ALAE, if applicable	
Credit Fee	\$0
Estimated Surcharges	\$186,100
Expected Total Cost	\$22,735,989
Total Pay-In Amount (Estimated Cost less any deferrals)	\$22,735,989

* If UM/UIM/PIP forms (as referenced in Section 4) are not signed and returned by effective date, an additional premium of \$ will be charged and the Automobile Liability rate will be increased by \$ per power unit.

Rating Basis and Program Rates & Premium Explanation:

Surcharges shown above – Breakdown by state & line of business:

Auto:	
CO	\$136
KY	\$3,335
NC	\$18,260
NJ	\$1,158
NY	\$3,770
TX	\$1,326
WV	\$111
TOTAL AUTO	\$28,096
GL:	
KY	\$3,738
NJ	\$1,385
TOTAL GL	\$5,123
Workers Comp:	
AK	\$52
CA	\$64,794
CT	\$1,363
IL	\$951
IN	\$58
KY	\$2,587
MA	\$2,606
ME	\$773
MN	\$2,096
MO	\$2,162
MT	\$47
NJ	\$18,712
NY	\$45,998
OR	\$3,354
PA	\$7,208

SD	\$14
VT	\$14
WV	\$92
TOTAL WC	\$152,881

Terrorism Charges Included in Premium By Line of Business	Estimated Charge
Workers Compensation (TRIPRA)	\$27,260
General Liability (TRIPRA)	Rejected
Automobile Liability (Terrorism)	\$76,054

Summary of Program Structure and Loss Picks

Line Of Business	Coverage Plan Type	Retention/ Deductible/ SIR	Estimated Losses
Workers Compensation	Deductible	\$5,000,000	\$5,377,985
Workers Compensation	Excess of SIR	\$500,000	\$19,380
Workers Compensation	Excess of SIR	\$2,000,000	\$203,375
Workers Compensation	Excess of SIR	\$1,000,000	\$314,282
Workers Compensation	Guaranteed Cost	N/A	N/A
General Liability	Guaranteed Cost	N/A	N/A
Automobile Liability	Guaranteed Cost	N/A	N/A

Claims Service Fees

Claims Fee Options	Claims / Third Party Administrator	Comments
<input checked="" type="checkbox"/> Claims Service Fees are included in Premium shown and will be adjusted as part of your premium rates	AIGCS	WC QSI
<input type="checkbox"/> Claims Service Fees are not included in premium and will be billed directly to client by a Third Party Administrator		
<input checked="" type="checkbox"/> Claims Service Fees are included in Premium and will be adjusted on a Fee Schedule basis (See attached schedule)	Sedgwick Claims Services	WC DBB, AL, GL
<input type="checkbox"/> Claims Service Fees are included in Premium and will be applied as a Loss Conversion Factor (LCF) based on Paid Losses Claims Service Fees will be calculated and billed along with your Paid Loss billings		
<input type="checkbox"/> Claims Service Fees are included in Premium and will be applied as a Loss Conversion Factor (LCF) based on Incurred Losses (Ultimate Losses) Claims Service Fees are part of your premium installments and will be adjusted at the time of each premium adjustment		

An LCF will apply as follows to Capped Incurred Ultimate losses at the following Per Loss Limitation:

<u>LOB</u>	<u>Claims / Third Party Administrator</u>	<u>LCF (1.XXXXX)</u>	<u>Per Loss Limitation</u>	<u>Estimated Losses</u>
WC		1.		
GL		1.		
AL		1.		

IntelliRisk Services Included :

SECTION 3 - PREMIUM PAYMENTS AND PROGRAM TERMS**Paid Loss Payment Plan****Cash Deposit, Installments and Estimated Deferred Amounts**

Payment No.	Due Date	Provision for Expenses and Excess Losses (1)	Special Taxes and Surcharges	Annual Credit Fee	Provision for Limited Losses (2)	Estimated Payment Obligation
1	12/31/2018	\$22,549,889	\$186,100			\$22,735,989
Subtotal		\$22,549,889	\$186,100			\$22,735,989
DLP*		N/A	N/A	N/A	\$0	\$0
DEP*		\$0	\$0	\$0	N/A	\$0
Total		\$22,549,889	\$186,100	\$0	\$0	\$22,735,989

* DLP means "Deferred Loss Provision". This is the estimated amount you must pay us as "Regular Loss payments" and "Sizeable Loss Payments" as described in the Schedule of Policies and Premiums to the Payment Agreement.

* DEP means "Deferred Expense Provision". This is an estimated amount that you must pay as such shown in the Schedule of Policies and Premiums to the Payment Agreement.

Notes: (1) "Provision for Expenses and Excess Losses" is a part of the Premium.

(2) "Provision for Limited Losses" includes provision for loss within your retention (both Deductible and Loss Reimbursement Limit) and your share of ALAE. Any "Deposit" in this column is the Claims Payment Deposit. Refer to definitions in the Payment Agreement.

Additional Payments

The following billing method represents the format of our billing process for additional payments you may owe under your insurance program. The amounts you owe will be due and owing and remain so regardless as to whether you received a formal written bill.

Loss Billing Method

In addition to the estimated amounts shown above, we will bill you as set forth in the Loss Billing chart for the amounts of Loss and ALAE within your retention/deductible/loss reimbursement limit that we have paid under the policies. If we must make payment for any Loss within your retention/deductible/loss reimbursement limit and your share of ALAE arising out of a single accident, occurrence, offence, claim or suit that combined exceed the payment amount of 250,000, you must pay us that amount of Loss within 10 days after you receive our bill. We will not bill more than permitted under any Aggregate Stop or Maximum Premium or Maximum Insurance Cost provisions that may apply. If we become obligated to pay any amount within your Self - Insured Retention, we will bill you in accordance with the method set forth herein.

Loss Billing Chart

LOB	Claims Vendor	Loss Billing Periods
WC, AL, GL	Sedgwick Claims Services	Direct (As Needed by TPA)
WC QSI	AIGCS	Monthly

Automatic Withdrawal Method

In addition to the estimated amounts shown above, we will draw funds from the Automatic Withdrawal Account for payment of Losses within your retention/deductible/loss reimbursement limit and your share of ALAE covered by the policies. We will not draw more than permitted under any Aggregate Stop or Maximum Premium or Maximum Insurance Cost provisions that may apply.

You will authorize us to withdraw funds from the Automatic Withdrawal Account upon our demand. You must pay enough cash into that Automatic Withdrawal Account to cover our expected payments of Loss within your Retention and your share of ALAE during the next claims payment fund coverage period. The minimum amount of such cash funds is shown in the schedule below as the Minimum Amount. You will be required to make a payment in that amount into the Account immediately whenever its balance falls below 25% of that amount.

Billing Method**Billing to:**

- ☐ You at your address shown in the Schedule, or
- ☒ Your Representative at its address shown in the Schedule; or
- ☐ Automatic Withdrawal Schedule from the account described below.

If Automatic Withdrawal Account applies:	Minimum Amount:	\$0
Name of Depository Institution: Provided Under Separate Cover		
Address: Provided Under Separate Cover		
Account Number: Provided Under Separate Cover		

Paid Loss Plan Premium Adjustments

The first Premium Adjustment will take place as soon as practicable after the expiration date of the policies. The adjustment will be based on the rates shown in this document, audited exposures and loss information valued as of 10/31/2019 subject to the minimums indicated within the terms of your insurance program. Thereafter, annual Paid Loss adjustments will take place until the Incurred Loss Conversion date is reached (if applicable). Annual adjustments will continue until you and we agree in writing to perform no further recalculation. Additional premium due us, or return premium due you, resulting from an adjustment, will be payable in its entirety within the time set out in our notice to you and subject to the terms of the Payment Agreement.

Plan Conversion

The end of the paid loss period will be N/A months after inception. At that time, Risk Management will prepare a reconciliation between you and us using Ultimate Losses valued as of the end of the paid loss period. You will be responsible for the difference between Your loss payments to date (including applicable claim expenses, any other expenses and policy audit adjustments) and the total of all paid losses, Ultimate reserves (including applicable Ultimate claim expenses, and any other expenses) within the Paid Loss Plan. Thereafter, annual Ultimate Incurred Loss Plan adjustments will take place and continue until you and we agree in writing to perform no further recalculations.

SECTION 3 - PREMIUM PAYMENTS

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Payment Plan**Cash Deposit, Installments and Estimated Deferred Amounts**

Payment No.	Due Date	Provision for Expenses and Excess Losses (1)	Special Taxes and Surcharges	Annual Credit Fee	Provision for Limited Losses (2)	Estimated Payment Obligation
1						
Subtotal						
DLP*		N/A	N/A	N/A	\$0	\$0
DEP*		\$0	\$0	\$0	N/A	\$0
Total		\$0	\$0	\$0	\$0	\$0

* DLP means "Deferred Loss Provision". This is the estimated amount you must pay us as "Regular Loss payments" and "Sizeable Loss Payments" as described in the Schedule of Policies and Premiums to the Payment Agreement.

* DEP means "Deferred Expense Provision". This is an estimated amount that you must pay as such shown in the Schedule of Policies and Premiums to the Payment Agreement.

Notes: (1) "Provision for Expenses and Excess Losses" is a part of the Premium.

(2) "Provision for Limited Losses" includes provision for loss within your retention (both Deductible and Loss Reimbursement Limit) and your share of ALAE. Any "Deposit" in this column is the Claims Payment Deposit. Refer to definitions in the Payment Agreement.

SECTION 4 - LIMITS, PROGRAM & COVERAGE ^{PAGE 36} of 98**General Notes About Coverages**

Coverage outlined in this document is for explanatory and reference purposes only. The coverage provisions do not necessarily conform to any specifications furnished in the submission received from your representative.

The policy (or policies) that we issue to you shall contain the full and complete terms, conditions, exclusions and coverages provided under your insurance program. Any differences between the proposal or binder and the policy which are mutually agreed to be discrepancies shall be subject to correction so as to accurately reflect the terms of the agreement between the parties. Should the parties fail to mutually agree to policy revisions, the provisions in the policy (or policies) at issuance shall govern. Upon receipt, please review the policy (policies) thoroughly with your representative, and notify us promptly in writing if you have any questions or concerns.

The calculation of premiums and other program features included in this document are based on the information provided by you and your representative. Additional locations, changes in exposure, or other variations may make it necessary to reevaluate this Proposal/Binder, the premium calculations or the plan factors. Any modification we make shall be based on our evaluation of these changes and whether they represent a measurable difference from the insurance program originally offered.

Entities included as Named Insureds are those shown as such on the policy (policies) Declaration page, as well as in the appropriate Named Insured endorsements attached to each individual policy, whether such are issued at inception or included by an endorsement thereafter.

While it is our intention to honor the terms and conditions of our contract with you, we are required to follow all regulatory and filing requirements in effect for various states where you have an exposure. We shall adhere to all state regulatory requirements. We shall not issue any form or apply any program that is in contravention to a governing regulation, rule, statute or law.

Prior to binding a Massachusetts auto program, specific vehicle identification based information must be obtained from the insured. Receipt of all mandated information is required in order to process policies, registration and auto ID cards.

Prior to the inception date of coverage, you must provide us with the following information:

- ◆ For WC Coverage, all applicable FEIN numbers.
- ◆ For Auto Coverage, all DMV reporting information (other than New York).
- ◆ For WC Coverage, all UAIN.
- ◆ For WC Coverage in the state of Florida, a Florida Acord 130, fully completed, executed and notarized. In conjunction with your obligation to complete the Florida Workers Compensation Application [Acord Form 130 FL (2002/07)], you are subject to the continuing obligation as required under Florida Statutes, Chapter 443, to provide us, as your workers' compensation carrier, a copy of your quarterly earnings reports and self audits supported by the quarterly earnings reports ("Reports"). While you bear responsibility for additional obligations as set forth under Florida law and the terms of the Application, it is required that you provide us with copies of the Reports at the end of each quarter.

Nothing herein is intended to modify, eliminate or amend any requirement you have to provide us with information as detailed by the terms of the Application.

Any questions regarding this Proposal or Binder should be directed to Our Risk Management Representative shown in this document. **No Alterations to this Proposal or Binder May Be Made Without the Prior Written Approval of Risk Management.**

Insured Workers Compensation

Master WC

Effective: 12:01 AM 01/01/2019

Coverage	Limit
Workers Compensation Coverage	Statutory
Employers Liability	
Bodily Injury by Accident - Each Accident	\$2,000,000
Each Employee Bodily Injury by Disease	\$2,000,000
Policy Limit Bodily Injury by Disease	\$2,000,000
States Covered - Item 3 A:	
AK,AL,AR,AZ,CA,CO,CT,DE,FL,GA,HI,IA,ID,IL,IN,KS,KY,LA,MA,MD,ME,MI,MN,MO,MS,MT,NC,NE,NH,NJ,NM,NV, NY,OK,OR,PA,SC,SD,TN,TX,UT,VA,VT,WI	
States Covered – Item 3 C :	
All States except those listed in item 3A, monopolistic states and the following state(s):	

Stop Gap Employers Liability	Limit
Bodily Injury by Accident - Each Accident	\$2,000,000
Each Employee Bodily Injury by Disease	\$2,000,000
Policy Limit Bodily Injury by Disease	\$2,000,000
States Covered:	
ND,OH,WA,WY	

Coverage Extensions and Exclusions		
Name	Form #	Edition Date
90-DAY REPORTING REQUIREMENT - NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT	WC 00 04 14 A Valid in All States except in CA,DE,MA,MI, ND,NJ,NY,OH,PA,WA,WY	01/19
AIG PROPERTY CASUALTY WORKERS' COMPENSATION AND GROUP BENEFITS U.S. PRIVACY AND DATA SECURITY NOTICE	107437 Valid in All States except in WY	08/14

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ALTERNATE EMPLOYER ENDORSEMENT ALTERNATE EMPLOYER AND ADDRESS: Any alternate employer of your employees STATE OF EMPLOYMENT: The state in which the alternate employer leases employees must be entered in this field.	WC 00 03 01 A Valid in All States except in AK,HI,MI,OH,OK,TX,WY	02/89
ALTERNATE EMPLOYER ENDORSEMENT ALTERNATE EMPLOYER NAME AND ADDRESS: Any alternate employer of your employees. STATE OF EMPLOYMENT: The state in which the alternate employer leases employees must be entered in this field.	WC 00 03 01 Valid only in HI, MI,OK,TX	04/84
CALIFORNIA BROAD FORM ALTERNATE EMPLOYER ENDORSEMENT CONTRACT OR PROJECT: Any alternate employer of your employees	WC 99 04 25 Valid only in CA	05/06
ARKANSAS AMENDATORY ENDORSEMENT	WC 03 06 01 B Valid only in AR	03/18
ARKANSAS NOTIFICATION TO POLICYHOLDERS OF ACCIDENT PREVENTION SERVICES	WC 99 03 04 B Valid only in AR	06/15
AUDIT NONCOMPLIANCE CHARGE ENDORSEMENT	WC 00 04 24 Valid in All States except in AK,CA,FL,IN,LA,MA,MO,MT,ND,NY,OH,PA,TX,WA,WY	01/17
MISSOURI AMENDATORY ENDORSEMENT	WC 24 06 04 B Valid only in MO	01/17
MONTANA AUDIT NONCOMPLIANCE CHARGE ENDORSEMENT	WC 25 04 01 A Valid only in MT	01/17
PENNSYLVANIA AUDIT NONCOMPLIANCE CHARGE ENDORSEMENT	WC 37 04 01 Valid only in PA	01/17
CALIFORNIA EXCLUSION OF QUALIFYING INDIVIDUALS FROM WORKERS' COMPENSATION COVERAGE	PN 99 04 08 Valid only in CA	03/18
CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) PREMIUM ENDORSEMENT	WC 00 04 21 C Valid only in ND,OH,WA	09/08
CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) PREMIUM ENDORSEMENT	WC 00 04 21 D Valid in All States except in AK,FL,MA,MN,MO,NM,TX,VA	01/15
CONNECTICUT NONRENEWAL AND RENEWAL ENDORSEMENT	WC 06 06 01 A Valid only in CT	10/17
DELAWARE NOTICE OF AVAILABILITY OF ACCIDENT PREVENTION CONSULTATION SERVICES	PN 99 07 01 Valid only in DE	03/17
EMPLOYERS LIABILITY COVERAGE ENDORSEMENT	WC 00 03 03 C Valid in All States except in FL,NJ,OH,TX,WA	10/04

OHIO EMPLOYERS LIABILITY COVERAGE ENDORSEMENT	WC 34 03 01 C Valid only in OH	03/10
ENDORSEMENT AGREEMENT LIMITING AND RESTRICTING THIS INSURANCE EMPLOYEE INSURED BY GENERAL EMPLOYER EXCLUDED	WC 04 03 17 B Valid only in CA	10/16
FEDERAL MINE SAFETY AND HEALTH ACT COVERAGE ENDORSEMENT	WC 00 01 02 B Valid in All States except in CA,MI,MN,ND,NJ,NY,OH,WA,WY	01/15
FOREIGN COVERAGE ENDORSEMENT NAMES(S) OF EMPLOYEES: All officers and Employees while stationed or traveling outside of the United States of America, its territories or possessions, except masters and members of the crew of any vessel. State or Country of Operations: Anywhere in the world, including international waters or airspace, but excluding the United States of America (including its territories and possessions) and Puerto Rico. In addition, those countries against which the Office of Foreign Assets Control of the U.S. Department of the Treasury administers and enforces economic and trade sanctions or for which the United Nations or the European Union have instituted trade or economic sanctions be it under resolution, law or regulation. Designated Workers Compensation Law: State of hire Limits For Excess Repatriation Expenses each employee: 100,000 Limits For Excess Repatriation Expenses each accident: 100,000 Employers Liability Bodily Injury By Accident Policy Limit: 2,000,000 EL Bodily Injury By Disease Policy Limit: 2,000,000 EL Bodily Injury By Disease Each Employee: 2,000,000 State of Designated Workers Compensation Law: State of Hire Total Advance Premium: Included	WC 60 90 4 Valid in All States except in AK,CA,FL,MA,MN,NC,NJ,NY,OH,PA,WA,WI	08/94
FOREIGN COVERAGE ENDORSEMENT ALASKA ONLY NAMES OF EMPLOYEES: All officers and Employees while stationed or traveling outside of the United States of America, its territories or possessions, except masters and members of the crew of any vessel. State or Country of Operations: Anywhere in the world, including international waters or airspace, but excluding the United States of America (including its territories and possessions) and Puerto Rico. In addition, those countries against which the Office of Foreign Assets Control of the U.S. Department of the Treasury administers and enforces economic and trade sanctions or for which the United Nations or the European Union have instituted trade or economic sanctions be it under resolution, law or regulation. Designated Workers Compensation Law: State of hire,. Limits of Liability For Excess Repatriation Expenses: each employee: 100,000 Limits of Liability For Excess Repatriation Expenses: each accident: 100,000	WC 99 54 05 Valid only in AK	09/04

FOREIGN COVERAGE ENDORSEMENT FLORIDA ONLY

NAME(S) OF EMPLOYEE: All officers and Employees while stationed or traveling outside of the United States of America, its territories or possessions, except masters and members of the crew of any vessel

STATE OR COUNTRY: Anywhere in the world, including international waters or airspace, but excluding the United States of America (including its territories and possessions) and Puerto Rico. In addition, those countries against which the Office of Foreign Assets Control of the U.S. Department of the Treasury administers and enforces economic and trade sanctions or for which the United Nations or the European Union have instituted trade or economic sanctions be it under resolution, law or regulation.

DESIGNATED WC LAW: Florida

EXCESS REPATRIATION EXPENSE EACH EMPLOYEE: \$25,000

EXCESS REPATRIATION EA ACCIDENT: \$25,000

EMPLOYERS LIABILITY LIMIT: BI BY ACCIDENT: 2,000,000

EMPLOYERS LIABILITY BI BY DISEASE POLICY LIMIT: 2,000,000

EMPLOYERS LIABILITY BI BY DISEASE EA EMPLOYEE LIMIT: 2,000,000

WC 99 09 09 A Valid only in
FL

09/10

FOREIGN COVERAGE ENDORSEMENT MASSACHUSETTS ONLY

NAME(S) OF EMPLOYEES: All officers and Employees while stationed or traveling outside of the United States of America, its territories or possessions, except masters and members of the crew of any vessel.

State or Country of Operations: Anywhere in the world, including international waters or airspace, but excluding the United States of America (including its territories and possessions) and Puerto Rico. In addition, those countries against which the Office of Foreign Assets Control of the U.S. Department of the Treasury administers and enforces economic and trade sanctions or for which the United Nations or the European Union have instituted trade or economic sanctions be it under resolution, law or regulation.

Designated Workers Compensation Law: State if hire.

Limits of Liability For Excess Repatriation Expenses: each employee: 100,000

Limits of Liability For Excess Repatriation Expenses: each accident: 100,000

EL Bodily Injury By Accident Policy Limit: 2,000,000

EL Bodily Injury by Disease policy limit: 2,000,000

EL Bodily Injury by Disease each employee: 2,000,000

WC 99 20 05 Valid only in
MA

09/04

NEW YORK FOREIGN VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE ENDORSEMENT

NAMES(S) OF EMPLOYEES: All officers and Employees while stationed or traveling outside of the United States of America, its territories or possessions, except masters and members of the crew of any vessel.

STATE OR COUNTRY OF OPERATIONS: Anywhere in the world, including international waters or airspace, but excluding the United States of America (including its territories and possessions) and Puerto Rico. In addition, those countries against which the Office of Foreign Assets Control of the U.S. Department of the Treasury administers and enforces economic and trade sanctions or for which the United Nations or the European Union have instituted trade or economic sanctions be it under resolution, law or regulation.

DESIGNATED WORKERS COMP LAW: New York.

WC 31 06 17 A Valid only in
NY

10/08

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VOLUNTARY FOREIGN COVERAGE ENDORSEMENT CALIFORNIA ONLY NAMES(S) OF EMPLOYEES: All officers and Employees while stationed or traveling outside of the United States of America, its territories or possessions, except masters and members of the crew of any vessel. State or Country of Operations: Anywhere in the world, including international waters or airspace, but excluding the United States of America (including its territories and possessions) and Puerto Rico. In addition, those countries against which the Office of Foreign Assets Control of the U.S. Department of the Treasury administers and enforces economic and trade sanctions or for which the United Nations or the European Union have instituted trade or economic sanctions be it under resolution, law or regulation. Designated Workers Compensation Law: State of hire. Limits of Liability For Excess Repatriation Expenses: each employee: 100,000 Limits of Liability For Excess Repatriation Expenses: each accident: 100,000 Bodily Injury By Accident policy limit: 2,000,000 Bodily Injury by disease policy limit: 2,000,000 Bodily Injury by disease each employee: 2,000,000 State of Designated Workers Compensation Law: State of hire.	WC 99 04 22 Valid only in CA	10/05
GEORGIA CANCELLATION, NONRENEWAL AND CHANGE ENDORSEMENT	WC 10 06 01 C Valid only in GA	07/18
ILLINOIS AMENDATORY ENDORSEMENT FOR CONTRIBUTION LIABILITY	WC 99 12 03 Valid only in IL	08/00
IMPORTANT NOTICE TO OUR CUSTOMERS REGARDING THE OFFICE OF FOREIGN ASSETS CONTROL	WCOFAC Valid in All States	09/13
LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT	WC 00 01 06 A Valid in All States except in CA,OH,WY	04/92
LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT-CALIFORNIA	WC 04 01 01 A Valid only in CA	04/92
LOUISIANA AMENDATORY ENDORSEMENT	WC 17 06 01 J Valid only in LA	08/18
MARITIME COVERAGE ENDORSEMENT PREMIUM: ANY WORK	WC 00 02 01 B Valid in All States except in FL,ND,OH,WY	01/15
MARYLAND CANCELLATION AND NONRENEWAL ENDORSEMENT	WC 19 06 01 G Valid only in MD	10/17
MASSACHUSETTS PREMIUM DUE DATE ENDORSEMENT	WC 99 20 02 Valid only in MA	06/01
MIGRANT AND SEASONAL AGRICULTURAL WORKER PROTECTION ACT COVERAGE ENDORSEMENT DESCRIPTION AND LOCATION OF WORK: ANY WORK	WC 00 01 11 Valid in All States except in CA,DE,MA,MI, NC,ND,NJ,NY,OH,SC,TX,WI	07/92

MISSISSIPPI CANCELLATION NONRENEWAL AND RENEWAL ENDORSEMENT	WC 23 06 01 Valid only in MS	07/18
MISSOURI EMPLOYER-PAID MEDICAL ENDORSEMENT	WC 24 04 06 D Valid only in MO	08/16
MISSOURI POLICYHOLDER'S NOTICE	WC 69 39 5 Valid only in MO	01/98
NEW YORK SAFE PATIENT HANDLING ACT PROGRAM EXPLANATORY ENDORSEMENT	WC 31 04 05 Valid only in NY	10/17
NEW YORK WORKERS COMPENSATION POLICYHOLDER NOTICE OF RIGHT TO APPEAL	WC 31 06 18 Valid only in NY	03/15
NONAPPROPRIATED FUND INSTRUMENTALITIES ACT COVERAGE ENDORSEMENT	WC 00 01 08 A Valid in All States except in HI,ND,NJ,OH	04/92
DESCRIPTION AND LOCATION OF WORK: ANY WORK		
NORTH CAROLINA AMENDED COVERAGE ENDORSEMENT	WC 32 03 01 D Valid only in NC	07/18
NORTH DAKOTA AMENDATORY ENDORSEMENT TO ENDORSEMENT WC 00 00 00 C (ED. 1-15)	WC 99 33 03 Valid only in ND	12/15
NOTICE OF ACCIDENT PREVENTION CONSULTING SERVICES FOR THE STATE OF MISSISSIPPI	PN 99 23 01 Valid only in MS	07/15
NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT	WC 00 04 14 Valid in All States except in AK,AL,AR,AZ,CA,CO,CT,FL,GA,HI,IA,ID,IL,IN,KS,KY,LA,MD,ME,MN,MO,MS,MT,NC,ND,NE,NH,NJ,NM,NV,OH,OK,OR,SC,SD,TN,TX,UT,VA,VT,WA,WI,WY	07/90
OK WC MANDATORY OP DED ACCEP/REJECT FRM	FORM 35 -3 C Valid only in OK	09/16
OKLAHOMA EMPLOYERS LIABILITY AMENDED COVERAGE ENDORSEMENT	WC 35 03 02 Valid only in OK	01/87
OREGON AMENDATORY ENDORSEMENT	WC 36 06 04 Valid only in OR	01/17
OREGON PREMIUM DUE DATE ENDORSEMENT	WC 36 04 06 Valid only in OR	10/01
POLICY AMENDATORY ENDORSEMENT-CALIFORNIA	WC 04 03 01 D Valid only in CA	02/18
POLICYHOLDER NOTICE	PN 04 99 01 F Valid only in CA	03/15

POLICYHOLDER NOTICE EMPLOYER OPTION FOR REIMBURSEMENT OF MEDICAL EXPENSES ON NON-DISABLING CLAIMS	PN 99 36 02 Valid only in OR	12/16
POLICYHOLDER NOTICE OF AVAILABILITY OF ACCIDENT AND ILLNESS PREVENTION CONSULTATION SERVICES	PN 99 37 01 Valid only in PA	10/15
POLICYHOLDER NOTICE OF AVAILABILITY OF ACCIDENT PREVENTION CONSULTATION SERVICES	PN 99 15 01 Valid only in KS	07/15
POLICYHOLDER NOTICE OF AVAILABILITY OF LOSS PREVENTION CONSULTATION SERVICES	PN 99 36 01 Valid only in OR	10/15
POLICYHOLDER NOTICE OF AVAILABILITY OF SAFETY AND OCCUPATIONAL HEALTH LOSS CONTROL CONSULTATION SERVICES	PN 99 22 01 Valid only in MN	07/15
POLICYHOLDER NOTICE OF AVAILABILITY OF SAFETY AND OCCUPATIONAL HEALTH LOSS CONTROL CONSULTATION SERVICES	PN 99 25 01 Valid only in MT	07/15
POLICYHOLDER NOTICE OF AVAILABILITY OF WORKPLACE SAFETY CONSULTATION SERVICES	PN 99 35 01 Valid only in OK	10/15
POLICYHOLDER NOTICE OF AVAILABILITY OF WORKPLACE SAFETY REVIEW AND CONSULTATION SERVICES	PN 99 40 01 Valid only in SD	10/15
PREMIUM DISCOUNT ENDORSEMENT	WC 00 04 06 A Valid in All States except in AL,AR,CA,CO, CT,DE,GA,HI,KS,KY,LA,MD,ME, MO,MS,MT,ND,NE,NH,NM,NY, OH,OK,OR,PA,SC,SD,TN,TX,UT, VA,VT,WA,WY	08/95
PREMIUM DUE DATE ENDORSEMENT	WC 00 04 19 Valid in All States except in AZ,CA,MA,MI, OH,OR,TX	01/01
PRIVACY POLICY	107437A Valid in All States	07/16
SOLE PROPRIETORS, PARTNERS, OFFICERS AND OTHERS COVERAGE ENDORSEMENT	WC 00 03 10 Valid in All States except in CA,ND,NJ,NY, OH,TX,WA,WY	04/84
<p>STATE FOR SOLE PROPRIETOR: A state must be entered in this field.</p> <p>PARTNERS: All partners.</p> <p>STATE FOR PARTNERS: A state must be entered in this field.</p> <p>OFFICERS: All executive officers.</p> <p>STATE FOR OFFICERS: A state must be entered in this field.</p>		

OTHERS: Each person named in Item 4 of the information page. Pg 44 of 98

STATE(S): A state must be entered in this field.

NEW JERSEY SOLE PROPRIETORS AND PARTNERS COVERAGE ENDORSEMENT

WC 29 03 07 Valid only in NJ

04/00

NEW YORK SOLE PROPRIETORS, PARTNERS AND MEMBERS OF LLC'S, PSLC'S AND RLLP'S COVERAGE ENDORSEMENT

WC 31 03 13 B Valid only in NY

02/11

SOLE PROPRIETOR COVERAGE ENDORSEMENT-CALIFORNIA

WC 04 03 04 Valid only in CA

01/85

SOLE PROPRIETORS, PARTNERS, OFFICERS AND OTHER COVERAGE ENDORSEMENT

WC 42 03 10 Valid only in TX

01/97

PARTNERS: ALL PARTNERS

OFFICERS: ALL OFFICERS

OTHERS: Each person named in Item 4 of the Information Page

SOUTH DAKOTA DIRECT ACTION STATUTE ENDORSEMENT

WC 40 06 01 A Valid only in SD

07/11

TENNESSEE DRUG FREE WORKPLACE PROGRAM APPLICATION

LB -1 11 1 Valid only in TN

08/16

TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT

WC 00 04 22 B Valid in All States except in FL,OH

01/15

FLORIDA TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT ENDORSEMENT

WC 09 04 03 B Valid only in FL

01/15

TEXAS-AUDIT PREMIUM AND RETROSPECTIVE PREMIUM ENDORSEMENT

WC 42 04 07 Valid only in TX

03/02

UNINTENTIONAL ERRORS AND OMISSIONS

WC 99 00 11 Valid in All States except in AK,AL,AR,AZ, CO,CT,DE,GA,HI,IA,ID,IL,IN,KS, KY,LA,MA,MD,ME,MI,MN,MO, MS,MT,NC,ND,NE,NH,NJ,NM, NV,NY,OH,OK,OR,PA,SC,SD,TN, TX,UT,VA,VT,WA,WI,WY

11/98

UNINTENTIONAL ERRORS AND OMISSIONS

WC 99 00 11 A Valid in All States except in AK,AR,CA,CO, FL,GA,ID,IN,MA,MN,MO,MT,NC, NE,NJ,NV,NY,OH,OK,OR,SC,TN, TX,WI

10/03

VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE ENDORSEMENT

WC 00 03 11 A Valid in All States except in CA,HI,NJ,OH

08/91

EMPLOYEES: All Officers and Employees, not subject to the Workers Compensation law except masters and members of the crew of any vessel

STATE: Any state designated in Item 3.A. of the Information Page of this policy

Workers Compensation Law: State of Hire

VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE ENDORSEMENT EMPLOYEES: All Officers and Employees, including any volunteers not subject to the Workers Compensation law except masters and members of the crew of any vessel STATE: Any state designated in Item 3.A. of the Information Page of this policy Workers Compensation Law: State of Hire	WC 00 03 11 Valid only in HI	04/84
VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE ENDORSEMENT-CALIFORNIA	WC 04 03 05 Valid only in CA	01/85
VOLUNTARY COMPENSATION MARITIME COVERAGE ENDORSEMENT EMPLOYEES: All employees except masters or members of the crew of any vessel. Description of work: No such work at this time. It is agreed that if any work is subject to the Maritime Coverage Endorsement, the Insurer will endorse the policy within sixty (60) days of notification.	WC 00 02 03 Valid in All States	04/84
WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT SCHEDULE: ANY PERSON OR ORGANIZATION WITH WHOM YOU HAVE ENTERED INTO A CONTRACT, A CONDITION OF WHICH REQUIRES YOU TO OBTAIN THIS WAIVER FROM US. THIS ENDORSEMENT DOES NOT APPLY TO BENEFITS OR DAMAGES PAID OR CLAIMED: 1. PURSUANT TO THE WORKERS' COMPENSATION OR EMPLOYERS' LIABILITY LAWS OF KENTUCKY, NEW HAMPSHIRE, OR NEW JERSEY; OR, 2. BECAUSE OF INJURY OCCURRING BEFORE YOU ENTERED INTO SUCH A CONTRACT. .	WC 00 03 13 Valid in All States except in CA,KY,NH,NJ, TX,UT	04/84
BLANKET WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA	WC 04 03 61 Valid only in CA	11/90
TEXAS WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT	WC 42 03 04 B Valid only in TX	06/14
UTAH WAIVER OF SUBROGATION ENDORSEMENT Schedule: ANY PERSON OR ORGANIZATION WITH WHOM YOU HAVE ENTERED INTO A CONTRACT, A CONDITION OF WHICH REQUIRES YOU TO OBTAIN THIS WAIVER FROM US. THIS ENDORSEMENT DOES NOT APPLY TO BENEFITS OR DAMAGES PAID OR CLAIMED: 1. PURSUANT TO THE WORKERS' COMPENSATION OR EMPLOYERS' LIABILITY LAWS OF KENTUCKY, NEW HAMPSHIRE, OR NEW JERSEY; OR, 2. BECAUSE OF INJURY OCCURRING BEFORE YOU ENTERED INTO SUCH A CONTRACT.	WC 43 03 05 Valid only in UT	07/00
WASHINGTON AMENDATORY ENDORSEMENT	WC 99 46 04 Valid only in WA	12/15
WISCONSIN FOREIGN COVERAGE ENDORSEMENT	WC 48 06 03 B Valid only in WI	01/01

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY	WC 00 00 00 C Valid in All States	01/15
All Mandatory State Endorsements	Various	

Workers Compensation Premiums

The premium shown in Section 2 is only an estimate of the program premium, based on:

- your estimated payrolls during the proposed policy's term,
- our rates in use at the time of this proposal; and,
- our estimate of the Experience Modifications.

We will apply rates and final Experience Modifications that are approved by state authorities for the Company for the effective date stated above. Final premiums and surcharges will be determined based on our Manuals of Rules, Classifications, Rates and Rating Plans. All information required to determine the final premiums and surcharges is subject to verification and change by audit.

Changes in Premium: The total estimated premium for the policy may change, and the final premium will differ from the estimated premium. The premium may change for reasons such as, but not limited to, the following:

1. mid-term rate change due to change in the Workers' Compensation law of a covered state,
2. correction of the rating classifications describing your business,
3. correction of your estimated annual payrolls or their distribution to your classifications and covered states,
4. discovery of additional information about your business not disclosed to us prior to our issuance of this Proposal ,
5. information that you engaged one or more independent contractors who did not have their own Workers' Compensation insurance; and
6. other reasons in accordance with our rules as approved by the insurance regulatory agencies of the covered states.

We will make changes to the policy or to the premium in the form of a written endorsement of the policy, which we will send to you or your broker of record identified in the policy.

Small Deductible Notice to Applicant or Policyholder

We are required to make you aware that small deductibles are available in the states listed below. This is a notification and you are under no obligation to elect a small deductible.

Alabama, Arkansas, Colorado, Delaware, Florida, Georgia, Hawaii, Illinois, Kentucky, Maine, Massachusetts, Montana, Nebraska, New Hampshire, New Mexico, New York, Oklahoma, Oregon, South Carolina and Texas

Small deductibles are optional and available in varying incremental amounts, usually between \$100 and \$2,500, depending on the state, and in some cases in higher amounts. In some states small deductibles apply only to the medical portion of the claim, while other states have certain statutory eligibility requirements, such as a minimum amount of premium in that state or that the employer is experience rated.

Small deductibles are offered subject to a determination of credit worthiness, with some state exceptions.

If you elect a small deductible in Delaware, Oklahoma, Oregon or Texas, you are required to complete a state-specific form, available from your insurance producer, who will send the form to us prior to the effective date of your policy. (see Attachment Section for specimen copies of these forms)

If you want more information about small deductibles available by state, contact your insurance producer. All requests for consideration for small deductible policies must be made prior to the effective date of the policy.

Workers Compensation Loss Reimbursement (Deductible) or Small Deductible (NCCI or Independent State Rating Plan) Policy/Plan Premiums

In the event the program includes a deductible, a discount in the premium for the Loss Reimbursement (deductible), NCCI small deductible, or independent state small deductible policies shown in the schedule is calculated in accordance with either our loss reimbursement (deductible) rating plan, the NCCI deductible rating plan or the independent state small deductible rating plan, whichever is applicable. The premium includes a provision for certain taxes and assessments (including residual market plan assessments) which we expect to become obligated to pay based on the premium.

Furthermore, in the event that any state regulatory authority determines that deductible reimbursements or recoveries are taxable as premium or subject to assessments, you will be obligated to pay the premium taxes and/or assessments applicable to the policies

California Workers Compensation Short Rate Cancellation Endorsement

If we issue a CA WC policy as part of your program, we will include the CA Short-Rate Cancellation Endorsement (WC 04 04 22 01 12), which provides that, should you elect to cancel your CA WC policy mid-term, you will be subject to a short-rate cancellation penalty of up to 11% of the total one-year premium.

Florida Drug-Free Workplace Premium Credit Program Application

Included within this material is the application for the Florida Drug-Free Workplace Premium Credit Program – which provides Florida employers a 5% premium credit if they can certify they have established a drug-free workplace in accordance with the rules established by the Agency for Health Care Administration. Self-certification by the employer requires completion of the Florida Form 09-1, and is subject to physical verification by the insurer. Attached is a sample version of Form 09-1, your broker can provide you a form for completion. All drug-free workplace premium credits must be based on evidence contained in the file of the carrier at the time that the credit is allowed. Annual recertification is required. Application of the Florida Drug-Free Workplace Premium Credit would not be applicable in a program where the Florida premium was developed on a negotiated loss sensitive basis.

Missouri Disclosure 9 Gross Deductible Reporting

Missouri law provides for reporting of deductible workers compensation policies on a net basis unless the employer exercises its right to purchase a gross reportable deductible plan. AIG's large deductible plans are offered only on a gross reporting basis. Accordingly, to the extent this Proposal/Binder includes a large deductible, by accepting in writing this Proposal/Binder, you are exercising your right to purchase a gross reportable deductible plan. Net reportable large deductible plans may be available from other insurers in the Missouri marketplace.

New Hampshire Assigned Risk Plan

As respects any policy(ies) comprising your insurance program, issued through Granite State Insurance Company or Commerce and Industry Insurance Company, please be advised that coverage at lower rates and premiums may be available in the State of New Hampshire through the New Hampshire assigned risk plan.

Notice Regarding Choice of Law and Choice of Venue or Forum

To the extent that California workers' compensation insurance is a component of your insurance program as outlined herein, please be aware that the corresponding Payment Agreement the insurer intends to use to document certain obligations may provide for a jurisdiction other than California for choice of law and choice of venue or forum. Prior to effectiveness, the provisions regarding choice of law and choice of venue or forum are negotiable.

Excess Workers Compensation - Specific

Sears QSI WV

Effective: 12:01 AM 01/01/2019

Coverage	Limit
Workers Compensation	Statutory
Employers Liability	
Each Accident	\$2,000,000
Each Employee For Disease	\$2,000,000
States Covered: WV	

Kinds of Insurance	Self Insured Retention Amount	Applicable To
Workers Compensation and Employers Liability -Self Insured States	\$500,000	Each Accident or each Person for Disease
Employers Liability - Monopolistic States		Each Accident or each Person for Disease

Note: 1) For Self-Insured States, the limits of liability shown are in excess of the Self Insured Retention amount. 2) Aggregate Limits apply where applicable.

Coverage Extensions and Exclusions		
Name	Form #	Edition Date
EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY	54361	10/92

All Mandatory State Endorsements	Various	
AMENDATORY ENDORSEMENT	81066	10/02
AMENDMENT OF YOUR CLAIMS REPORTING DUTIES ENDORSEMENT (SPECIFIC FORM)	115325	05/13
ECONOMIC SANCTIONS ENDORSEMENT	89644	06/13
EXCESS WORKERS COMPENSATION ENDORSEMENT CANCELLATION CONDITION AMENDED	56293	03/93
EXCESS WORKERS COMPENSATION WAIVER OF SUBROGATION	61306	11/94
VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE ENDORSEMENT EXCESS WORKERS COMPENSATION	78042	05/01

TPA LOSS DATA REQUIREMENTS

You agree to instruct your Third Party Administrator, or any internal claims adjuster working on your behalf, to provide us with monthly loss data of claims paid within Your Retention in the manner and frequency specified within our claims reporting guidelines.

Excess Workers Compensation - Specific

Sears QSI OH WA

Effective: 12:01 AM 01/01/2019

Coverage	Limit
Workers Compensation	Statutory
Employers Liability	
Each Accident	\$2,000,000
Each Employee For Disease	\$2,000,000
States Covered: OH, WA	

Kinds of Insurance	Self Insured Retention Amount	Applicable To
Workers Compensation and Employers Liability -Self Insured States	\$1,000,000	Each Accident or each Person for Disease
Employers Liability - Monopolistic States	\$1,000,000	Each Accident or each Person for Disease

Note: 1) For Self-Insured States, the limits of liability shown are in excess of the Self Insured Retention amount. 2) Aggregate Limits apply where applicable.

Coverage Extensions and Exclusions		
Name	Form #	Edition Date
EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY	54361 Valid in All States	10/92

All Mandatory State Endorsements	Various	
AMENDATORY ENDORSEMENT	81066 Valid in All States	10/02
AMENDMENT OF YOUR CLAIMS REPORTING DUTIES ENDORSEMENT (SPECIFIC FORM)	115325 Valid in All States	05/13
ECONOMIC SANCTIONS ENDORSEMENT	89644 Valid in All States	06/13
EXCESS WORKERS COMPENSATION ENDORSEMENT CANCELLATION CONDITION AMENDED	56293 Valid in All States	03/93
EXCESS WORKERS COMPENSATION WAIVER OF SUBROGATION	61306 Valid in All States	11/94
OHIO STOP-GAP INTENTIONAL TORTS EXTENSION ENDORSEMENT	93951 Valid only in OH	11/10
VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE ENDORSEMENT EXCESS WORKERS COMPENSATION	78042 Valid in All States	05/01

TPA LOSS DATA REQUIREMENTS

You agree to instruct your Third Party Administrator, or any internal claims adjuster working on your behalf, to provide us with monthly loss data of claims paid within Your Retention in the manner and frequency specified within our claims reporting guidelines.

Excess Workers Compensation - Specific

KMart QSI OH WV

Effective: 12:01 AM 01/01/2019

Coverage	Limit
Workers Compensation	Statutory
Employers Liability	
Each Accident	\$2,000,000
Each Employee For Disease	\$2,000,000
States Covered: OH, WV	

Kinds of Insurance	Self Insured Retention Amount	Applicable To
Workers Compensation and Employers Liability -Self Insured States	\$2,000,000	Each Accident or each Person for Disease
Employers Liability - Monopolistic States	\$2,000,000	Each Accident or each Person for Disease

Note: 1) For Self-Insured States, the limits of liability shown are in excess of the Self Insured Retention amount. 2) Aggregate Limits apply where applicable.

Coverage Extensions and Exclusions		
Name	Form #	Edition Date
EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY	54361 Valid in All States	10/92

All Mandatory State Endorsements	Various	
AMENDATORY ENDORSEMENT	81066 Valid in All States	10/02
AMENDMENT OF YOUR CLAIMS REPORTING DUTIES ENDORSEMENT (SPECIFIC FORM)	115325 Valid in All States	05/13
ECONOMIC SANCTIONS ENDORSEMENT	89644 Valid in All States	06/13
EXCESS WORKERS COMPENSATION ENDORSEMENT CANCELLATION CONDITION AMENDED	56293 Valid in All States	03/93
EXCESS WORKERS COMPENSATION WAIVER OF SUBROGATION	61306 Valid in All States	11/94
OHIO STOP-GAP INTENTIONAL TORTS EXTENSION ENDORSEMENT	93951 Valid only in OH	11/10
VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE ENDORSEMENT EXCESS WORKERS COMPENSATION	78042 Valid in All States	05/01

TPA LOSS DATA REQUIREMENTS

You agree to instruct your Third Party Administrator, or any internal claims adjuster working on your behalf, to provide us with monthly loss data of claims paid within Your Retention in the manner and frequency specified within our claims reporting guidelines.

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Commercial General Liability

Master GL

Effective: 12:01 AM 01/01/2019

Your Coverage Trigger ☒ Occurrence

Claims Made - Retroactive Date

Coverage	Limit
Each Occurrence Limit	\$5,000,000
Personal & Advertising Injury Limit (any one person or organization)	\$5,000,000
General Aggregate Limit	\$5,000,000
Products-Completed Operations Aggregate Limit	\$5,000,000
Damage To Premises Rented To You Limit (any one premise)	\$5,000,000
Medical Expense Limit (any one person)	\$0
Employee Benefits Liability*	\$5,000,000
<input checked="" type="checkbox"/> * A Claims Made Form - Retroactive Date 04/01/2015	
<input type="checkbox"/> * An Occurrence Form	

Coverage Extensions and Exclusions

Name	Form #	Edition Date
COMMERCIAL GENERAL LIABILITY COVERAGE FORM (OCCURRENCE VERSION)	CG 00 01	04/13
All Mandatory State Endorsements	Various	
ADDITIONAL INSURED DESIGNATED PERSON OR ORGANIZATION NAME OF ADDITIONAL INSURED PERS OR ORG: Any person or organization whom you become obligated to include as an additional insured as a result of any contract or agreement you have entered into.	CG 20 26	04/13
ADDITIONAL INSURED - CLUB MEMBERS	CG 20 02	11/85
ADDITIONAL INSURED - LESSOR OF LEASED EQUIPMENT NAME OF ADDITIONAL INSURED PERSONS OR ORG: " All persons or organizations from whom you lease equipment from and to whom you become obligated to include as an additional insured as a result of any lease or agreement you enter into."	CG 20 28	04/13

ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES	CG 20 11	04/13
NAME OF PERSON/ORGANIZATION: Any person or organization from whom you lease premises or who manages premises you own and to whom you become obligated to include as an additional insured under this policy as a result of any lease or management agreement you enter into with such parties."		
ADDITIONAL INSURED - MORTGAGEE, ASSIGNEE, OR RECEIVER	CG 20 18	04/13
NAME OF PERSON OR ORGANIZATION: EIG Camden LLC and Symetra Life Insurance Company for Kmart		
DESIGNATION OF PREMISES STREET: Location #4873, 2209 W DeKalb		
DESIGNATION OF PREMISES CITY: CAMDEN		
DESIGNATION OF PREMISES ZIPCODE: 29020		
DESIGNATION OF PREMISES STATE: SC		
ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS	CG 20 37	04/13
ADDITIONAL INSURED PERSON OR ORG: Any person or organization whom you become obligated to include as an additional insured as a result of any contract or agreement you have entered into.		
LOCATION AND DESCRIPTION OF COMP OPS: Per the contract or Agreement		
ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION	CG 20 10	04/13
ADDITIONAL INSURED PERSON(S) OR ORG: Any person or organization whom you become obligated to include as an additional insured as a result of any contract or agreement you have entered into.		
LOCATION(S) OF COVERED OPERATIONS: Per the contract or agreement.		
ADDITIONAL INSURED - VENDORS	CG 20 15	04/13
NAME OF PERSON OR ORGANIZATION (VENDOR): Any person or organization whom you become obligated to include as an additional insured as a result of any contract or agreement you have entered into.		
YOUR PRODUCTS: Per the contract or agreement		
ALIENATED PREMISES COVERAGE	71706	09/98
AMENDMENT OF DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT	61707	12/94
AMENDMENT OF LIMITS OF INSURANCE (PER PROJECT OR PER LOCATION AGGREGATE LIMIT)	86681	09/04

ASBESTOS AND SILICA EXCLUSION ENDORSEMENT PG 57 of 98

ASBESTOS AND SILICA EXCLUSION ENDORSEMENT	982540	07/12
BODILY INJURY DEFINITION EXTENSION	67260	03/97
COMMON POLICY CONDITIONS	IL 00 17	11/98
COMPOSITE RATING PLAN PREMIUM ENDORSEMENT	119483	08/16
DEDUCTIBLE COVERAGE ENDORSEMENT - FORM A - ILLINOIS	94360	05/17
DRUGGISTS - BROADENED COVERAGE	CG 22 97	10/01
ECONOMIC SANCTIONS ENDORSEMENT	89644	06/13
EMPLOYEE BENEFITS LIABILITY INSURANCE(ILLINOIS ONLY)	80334	06/02
EMPLOYMENT-RELATED PRACTICES EXCLUSION	CG 21 47	12/07
ERISA EXCLUSION	64004	07/12
EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIAB. - LIMITED BODILY INJURY EXCEPTION NOT INCLUDED	CG 21 07	05/14
EXTENDED FIRE DAMAGE LIABILITY (WATER DAMAGE)	61945	09/01
INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE	65157	04/96
INDIANA AMENDATORY ENDORSEMENT (DEFINITION OF POLLUTANTS)	115924	10/13
LARGE RISK RATING PLAN ENDORSEMENT	81461	08/04
LIBERALIZATION CLAUSE	71705	09/98

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NONOWNED WATERCRAFT ENDORSEMENT COVERAGE FOR WATERCRAFT LESS THAN THIS MANY FEET LONG: 75 Feet	64009	11/95
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT	IL 00 21	09/08
PERSONAL INJURY DEFINITION EXTENSION	74447	09/01
PESTICIDE OR HERBICIDE APPLICATOR - LIMITED POLLUTION COVERAGE	CG 22 64	04/13
PRIMARY AND NONCONTRIBUTORY - OTHER INSURANCE CONDITION	CG 20 01	04/13
RADIOACTIVE MATTER EXCLUSION	62898	07/12
TOTAL LEAD EXCLUSION	58332	08/07
UNINTENTIONAL ERRORS AND OMISSIONS	62132	03/95
WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US NAME OF PERSON OR ORGANIZATION: Pursuant to applicable written contract or agreement you enter into.	CG 24 04	05/09

NOTES ON SPECIAL COVERAGE(S) :

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Commercial General Liability

GL GGP JV

Effective: 12:01 AM 01/01/2019

Your Coverage Trigger ☒ Occurrence

Claims Made - Retroactive Date

Coverage	Limit
Each Occurrence Limit	\$3,000,000
General Aggregate Limit	\$6,000,000
Damage To Premises Rented To You Limit (any one premise)	\$3,000,000

Coverage Extensions and Exclusions

Name	Form #	Edition Date
COMMERCIAL GENERAL LIABILITY COVERAGE FORM (OCCURRENCE VERSION)	CG 00 01	04/13
All Mandatory State Endorsements	Various	
ADDITIONAL INSURED - MORTGAGEE, ASSIGNEE, OR RECEIVER NAME OF PERSON OR ORGANIZATION: Any person or organization whom you become obligated to include as an additional insured as a result of any contract or agreement you have entered into.	CG 20 18	04/13
ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION ADDITIONAL INSURED PERSON(S) OR ORG: GP Portfolio Holdings LLC c/o General Growth Properties, Inc LOCATION(S) OF COVERED OPERATIONS: 110 N. Wacker Drive Chicago, IL 60606	CG 20 10	04/13
ALIENATED PREMISES COVERAGE	71706	09/98
ASBESTOS AND SILICA EXCLUSION ENDORSEMENT	82540	07/12
BODILY INJURY DEFINITION EXTENSION	67260	03/97
BROAD FORM NAMED INSURED	61944	09/14

COMMON POLICY CONDITIONS		11/98
ECONOMIC SANCTIONS ENDORSEMENT	89644	06/13
EMPLOYMENT-RELATED PRACTICES EXCLUSION	CG 21 47	12/07
ERISA EXCLUSION	64004	07/12
EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIAB. - LIMITED BODILY INJURY EXCEPTION NOT INCLUDED	CG 21 07	05/14
EXTENDED FIRE DAMAGE LIABILITY (WATER DAMAGE)	61945	09/01
INDIANA AMENDATORY ENDORSEMENT (DEFINITION OF POLLUTANTS)	115924	10/13
LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION	CG 21 44	04/17
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT	IL 00 21	09/08
RADIOACTIVE MATTER EXCLUSION	62898	07/12
TOTAL LEAD EXCLUSION	58332	08/07
UNINTENTIONAL ERRORS AND OMISSIONS	62132	03/95
WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US	CG 24 04	05/09
NAME OF PERSON OR ORGANIZATION: Pursuant to applicable written contract or agreement you enter into.		

NOTES ON SPECIAL COVERAGE(S) :

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Commercial General Liability

GL Macerich JV

Effective: 12:01 AM 01/01/2019

Your Coverage Trigger ☒ Occurrence

Claims Made - Retroactive Date

Coverage	Limit
Each Occurrence Limit	\$3,000,000
General Aggregate Limit	\$6,000,000
Damage To Premises Rented To You Limit (any one premise)	\$3,000,000

Coverage Extensions and Exclusions

Name	Form #	Edition Date
COMMERCIAL GENERAL LIABILITY COVERAGE FORM (OCCURRENCE VERSION)	CG 00 01	04/13
All Mandatory State Endorsements	Various	
ADDITIONAL INSURED - MORTGAGEE, ASSIGNEE, OR RECEIVER NAME OF PERSON OR ORGANIZATION: Any person or organization whom you become obligated to include as an additional insured as a result of any contract or agreement you have entered into.	CG 20 18	04/13
ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION ADDITIONAL INSURED PERSON(S) OR ORG: MS Portfolio LLC c/o The Macerich Company LOCATION(S) OF COVERED OPERATIONS: 8214 Westchester Drive, Suite 500 Dallas, Texas 75225	CG 20 10	04/13
ALIENATED PREMISES COVERAGE	71706	09/98
ASBESTOS AND SILICA EXCLUSION ENDORSEMENT	82540	07/12
BODILY INJURY DEFINITION EXTENSION	67260	03/97
BROAD FORM NAMED INSURED	61944	09/14

COMMON POLICY CONDITIONS		11/98
ECONOMIC SANCTIONS ENDORSEMENT	89644	06/13
EMPLOYMENT-RELATED PRACTICES EXCLUSION	CG 21 47	12/07
ERISA EXCLUSION	64004	07/12
EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIAB. - LIMITED BODILY INJURY EXCEPTION NOT INCLUDED	CG 21 07	05/14
EXTENDED FIRE DAMAGE LIABILITY (WATER DAMAGE)	61945	09/01
INDIANA AMENDATORY ENDORSEMENT (DEFINITION OF POLLUTANTS)	115924	10/13
LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION	CG 21 44	04/17
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT	IL 00 21	09/08
RADIOACTIVE MATTER EXCLUSION	62898	07/12
TOTAL LEAD EXCLUSION	58332	08/07
UNINTENTIONAL ERRORS AND OMISSIONS	62132	03/95
WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US	CG 24 04	05/09
NAME OF PERSON OR ORGANIZATION: Pursuant to applicable written contract or agreement you enter into.		

NOTES ON SPECIAL COVERAGE(S) :

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Commercial General Liability

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Effective: 12:01 AM 01/01/2019

Your Coverage Trigger ☒ Occurrence

Claims Made - Retroactive Date

Coverage	Limit
Each Occurrence Limit	\$3,000,000
General Aggregate Limit	\$6,000,000
Damage To Premises Rented To You Limit (any one premise)	\$3,000,000

Coverage Extensions and Exclusions

Name	Form #	Edition Date
COMMERCIAL GENERAL LIABILITY COVERAGE FORM (OCCURRENCE VERSION)	CG 00 01	04/13
All Mandatory State Endorsements	Various	
ADDITIONAL INSURED - MORTGAGEE, ASSIGNEE, OR RECEIVER NAME OF PERSON OR ORGANIZATION: Any person or organization whom you become obligated to include as an additional insured as a result of any contract or agreement you have entered into.	CG 20 18	04/13
ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION ADDITIONAL INSURED PERSON(S) OR ORG: A. SPG Portfolio Member, LLC c/o Simon Property Group LOCATION(S) OF COVERED OPERATIONS: 225 W. Washington Street Indianapolis, IN 46204	CG 20 10	04/13
ALIENATED PREMISES COVERAGE	71706	09/98
ASBESTOS AND SILICA EXCLUSION ENDORSEMENT	82540	07/12
BODILY INJURY DEFINITION EXTENSION	67260	03/97
BROAD FORM NAMED INSURED	61944	09/14

COMMON POLICY CONDITIONS	IL 00 17	11/98
ECONOMIC SANCTIONS ENDORSEMENT	89644	06/13
EMPLOYMENT-RELATED PRACTICES EXCLUSION	CG 21 47	12/07
ERISA EXCLUSION	64004	07/12
EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIAB. - LIMITED BODILY INJURY EXCEPTION NOT INCLUDED	CG 21 07	05/14
EXTENDED FIRE DAMAGE LIABILITY (WATER DAMAGE)	61945	09/01
INDIANA AMENDATORY ENDORSEMENT (DEFINITION OF POLLUTANTS)	115924	10/13
LIBERALIZATION CLAUSE	71705	09/98
LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION	CG 21 44	04/17
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT	IL 00 21	09/08
RADIOACTIVE MATTER EXCLUSION	62898	07/12
TOTAL LEAD EXCLUSION	58332	08/07
UNINTENTIONAL ERRORS AND OMISSIONS	62132	03/95
WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US	CG 24 04	05/09
NAME OF PERSON OR ORGANIZATION: Pursuant to applicable written contract or agreement you enter into.		

NOTES ON SPECIAL COVERAGE(S) :

Commercial General Liability

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Effective: 12:01 AM 01/01/2019

Your Coverage Trigger ☒ Occurrence

Claims Made - Retroactive Date

Coverage	Limit
Each Occurrence Limit	\$3,000,000
Personal & Advertising Injury Limit (any one person or organization)	\$1,000,000
General Aggregate Limit	\$3,000,000
Damage To Premises Rented To You Limit (any one premise)	\$1,000,000

Coverage Extensions and Exclusions

Name	Form #	Edition Date
COMMERCIAL GENERAL LIABILITY COVERAGE FORM (OCCURRENCE VERSION)	CG 00 01	04/13
All Mandatory State Endorsements	Various	
ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES DESIGNATION OF PREMISES (PART LEASED TO YOU): Lake Plaza Shopping Center, LLC c/o Lerner Heidenberg Associates 234 Closter Dock Road Closter, NJ 07624	CG 20 11	04/13
ADDITIONAL INSURED - MORTGAGEE, ASSIGNEE, OR RECEIVER NAME OF PERSON OR ORGANIZATION: Any person or organization whom you become obligated to include as an additional insured as a result of any contract or agreement you have entered into.	CG 20 18	04/13
ASBESTOS AND SILICA EXCLUSION ENDORSEMENT	82540	07/12
COMMON POLICY CONDITIONS	IL 00 17	11/98
ECONOMIC SANCTIONS ENDORSEMENT	89644	06/13
EMPLOYMENT-RELATED PRACTICES EXCLUSION	CG 21 47	12/07

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ERISA EXCLUSION		07/12
EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIAB. - LIMITED BODILY INJURY EXCEPTION NOT INCLUDED	CG 21 07	05/14
INDIANA AMENDATORY ENDORSEMENT (DEFINITION OF POLLUTANTS)	115924	10/13
LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION	CG 21 44	04/17
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT	IL 00 21	09/08
RADIOACTIVE MATTER EXCLUSION	62898	07/12
TOTAL LEAD EXCLUSION	58332	08/07
WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US	CG 24 04	05/09
NAME OF PERSON OR ORGANIZATION: Pursuant to applicable written contract or agreement you enter into.		

NOTES ON SPECIAL COVERAGE(S) :

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Effective: 12:01 AM 01/01/2019

Liability

Coverage	Coverage Symbol(s)	Limits
Liability Limit	1	\$5,000,000
Personal Injury Protection - Per Insured's Selection	5	Rejection/Basic Benefits by State
Medical Payments - Each Person Insured	2	\$10,000
Uninsured Motorists/Underinsured Motorists - Per Insured's Selection	6	Rejection where Possible/ Minimum Limits

Coverage Extensions and Exclusions

Name	Form #	Edition Date
VIRGINIA-GARAGE KEEPERS ENDORSEMENT	CA 99 71 Valid only in VA	10/11
VIRGINIA GARAGEKEEPERS COVERAGE	CA 99 71 Valid only in VA	02/18
VIRGINIA GARAGEKEEPERS COVERAGE	CA 99 71 Valid only in VA	08/08
BUSINESS AUTO COVERAGE FORM	CA 00 01 Valid in All States except in HI	10/13
BUSINESS AUTO COVERAGE FORM	CA 00 01 Valid only in HI	03/10
BUSINESS AUTO COVERAGE FORM	CA 00 01 Valid only in FL,VA	03/06
All Mandatory State Endorsements	Various	

ADDITIONAL INSURED - WHERE REQUIRED UNDER CONTRACT OR AGREEMENT ADDITIONAL INSURED: ANY PERSON OR ORGANIZATION TO WHOM YOU ARE CONTRACTUALLY BOUND TO PROVIDE ADDITIONAL INSURED STATUS. BUT ONLY TO THE EXTENT AS SUCH PERSON'S OR ORGANIZATIONS LIABILITY ARISING OUT OF USE OF A COVERED AUTO."	87950 Valid in All States except in AK,CA,FL,HI,NY,VA	09/14
ADDITIONAL INSURED - WHERE REQUIRED UNDER CONTRACT OR AGREEMENT ADDITIONAL INSURED: "Any person or organization for whom you are contractually bound to provide Additional Insured status. But only to the extent of such person's or organization's liability arising out of use of a covered "auto"."	87950 Valid only in AK,CA,FL,HI	10/05
ADDITIONAL INSURED - WHERE REQUIRED UNDER CONTRACT OR AGREEMENT - NEW YORK ADDITIONAL INSURED: Any person or organization for whom you are contractually bound to provide Additional Insured status but only to the extent of such person or organizations liability arising out of the use of a covered auto.	94199 Valid only in NY	03/07
AMENDMENT OF DUTIES IN THE EVENT OF ACCIDENT, CLAIM SUIT OR LOSS	61709 Valid in All States	12/94
AUTO MEDICAL PAYMENTS COVERAGE	CA 99 03 Valid in All States except in CA,CO,HI,NE,PA,SC,VA, WI,WV	10/13
COLORADO AUTO MEDICAL PAYMENTS COVERAGE	CA 04 40 Valid only in CO	10/13
MONTANA MEDICAL PAYMENTS COVERAGE - REMOVAL OF REASONABLE EXPENSES LIMITATION	CA 01 72 Valid only in MT	10/13
SOUTH CAROLINA AUTO MEDICAL PAYMENTS COVERAGE	CA 99 58 Valid only in SC	04/14
WEST VIRGINIA AUTO MEDICAL PAYMENTS COVERAGE	CA 99 68 Valid only in WV	11/13
AUTO MEDICAL PAYMENTS COVERAGE	CA 99 03 Valid only in HI	03/06
CALIFORNIA AUTO MEDICAL PAYMENTS COVERAGE	CA 04 24 Valid only in CA	10/13
CALIFORNIA AUTO MEDICAL PAYMENTS COVERAGE	CA 04 24 Valid only in CA	04/06
BODILY INJURY DEFINITION EXTENSION	74438 Valid in All States	10/99
COMMON POLICY CONDITIONS	IL 00 17 Valid in All States except in WA	11/98
COMPOSITE RATING PLAN PREMIUM ENDORSEMENT	119483 Valid in All States except in FL,VA	08/16
COMPOSITE RATING PLAN PREMIUM ENDORSEMENT(FLORIDA SPECIFIC)	123320 Valid only in FL	11/16

COMPOSITE RATING PLAN PREMIUM ENDORSEMENT (VIRGINIA SPECIFIC)	123277 Valid only in VA	10/16
COVERED AUTO DESIGNATION SYMBOL	CA 99 54 Valid in All States except in HI	10/13
COVERED AUTO DESIGNATION SYMBOL	CA 99 54 Valid only in CA,FL, HI,NY,VA	07/97
DELAWARE PERSONAL INJURY PROTECTION ENDORSEMENT	123227 Valid only in DE	10/16
DRIVE OTHER CAR COVERAGE - BROADENED COVERAGE FOR NAMED INDIVIDUAL NAME OF INDIVIDUAL: "All executives of the Named Insured who are furnished autos by the Named Insured and who do not have personal auto insurance."	CA 99 10 Valid only in HI,NY	03/10
DRIVE OTHER CAR COVERAGE - BROADENED COVERAGE FOR NAMED INDIVIDUALS NAME OF INDIVIDUAL: "All executives of the Named Insured who are furnished autos by the Named Insured and who do not have personal auto insurance."	CA 99 10 Valid in All States except in CA,HI,NY,VA	10/13
CALIFORNIA DRIVE OTHER CAR COVERAGE - BROADENED COVERAGE FOR NAMED INDIVIDUALS NAME OF INDIVIDUAL: "All executives of the Named Insured who are furnished autos by the Named Insured and who do not have personal auto insurance."	CA 04 26 Valid only in CA	10/13
VIRGINIA DRIVE OTHER CAR COVERAGE BROADENED COVERAGE FOR NAMED INDIVIDUALS NAME OF INDIVIDUAL: "All executives of the Named Insured who are furnished autos by the Named Insured and who do not have personal auto insurance."	CA 04 10 Valid only in VA	02/18
ECONOMIC SANCTIONS ENDORSEMENT	89644 Valid in All States except in AK	06/13
ECONOMIC SANCTIONS ENDORSEMENT - ALASKA	118019 Valid only in AK	07/14
EMPLOYEE HIRED AUTOS	CA 20 54 Valid in All States except in HI,LA,VA	10/13
EMPLOYEE HIRED AUTOS - LOUISIANA	CA 20 98 Valid only in LA	10/13
EMPLOYEE HIRED AUTOS	CA 20 54 Valid only in CA,FL, HI,NY,VA	10/01
EMPLOYEES AS INSUREDS	CA 99 33 Valid in All States except in HI	10/13
EMPLOYEES AS INSUREDS	CA 99 33 Valid only in FL,HI	02/99
EXPECTED OR INTENDED INJURY EXCLUSION AMENDED (REASONABLE FORCE EXCEPTION)	67264 Valid only in AK,CA,FL, HI,NY,VA	03/97

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EXPECTED OR INTENDED INJURY EXCLUSION AMENDED (REASONABLE FORCE EXPECTATION)	67264 Valid in All States except in AK,CA,FL,HI,NY,VA	09/14
FLORIDA CHANGES - CANCELLATION AND NONRENEWAL	119653 Valid only in FL	08/15
FLORIDA CHANGES - CANCELLATION AND NONRENEWAL	119691 Valid only in FL	08/15
GARAGEKEEPERS COVERAGE	CA 99 37 Valid in All States except in HI,MN,VA	10/13
MINNESOTA - GARAGEKEEPERS ENDORSEMENT	CA 01 94 Valid only in MN	10/13
GARAGEKEEPERS COVERAGE	CA 99 37 Valid only in HI	03/10
GARAGEKEEPERS COVERAGE	CA 99 37 Valid only in FL	03/06
HIRED AUTOS SPECIFIED AS COVERED AUTOS YOU OWN DESCRIPTION OF AUTO:: Any auto hired, loaned, leased or furnished to the Named Insured for a period of six (6) months or more.	CA 99 16 Valid in All States except in HI,KS,NH	10/13
HAWAII HIRED AUTOS SPECIFIED AS COVERED AUTOS YOU OWN DESCRIPTION OF AUTO:: Any auto hired, loaned, leased or furnished to the Named Insured for a period of one year or more.	CA 99 53 Valid only in HI	03/10
NEW HAMPSHIRE HIRED AUTOS SPECIFIED AS COVERED AUTOS YOU OWN	CA 04 09 Valid only in NH	08/15
HIRED AUTOS SPECIFIED AS COVERED AUTOS YOU OWN DESCRIPTION OF AUTO: ANY AUTO HIRED, LOANED, LEASED OR FURNISHED TO THE NAMED INSURED FOR A PERIOD OF SIX (6) MONTHS OR MORE.	CA 99 16 Valid only in FL,VA	12/93
LESSOR-ADDITIONAL INSURED AND LOSS PAYEE DESIG OR DESCR OF LEASED AUTOS: All "autos" under a leasing or rental agreement between the "insured" and the Lessor listed above as the additional insured that requires direct primary insurance."	CA 20 01 Valid in All States except in HI,KS,LA,NH,TN,VA	10/13
HAWAII LESSOR - ADDITIONAL INSURED AND LOSS PAYEE Designation or Description of "Leased Autos": All "autos" under a leasing or rental agreement between the "insured" and the Lessor listed above as the additional insured that requires direct primary insurance.	CA 20 59 Valid only in HI	03/06
LOUISIANA - LESSOR - ADDITIONAL INSURED AND LOSS PAYEE DESIG OR DESCR OF LEASED AUTOS: All "autos" under a leasing or rental agreement between the "insured" and the Lessor listed above as the additional insured that requires direct primary insurance."	CA 04 13 Valid only in LA	10/13
NEW HAMPSHIRE LESSOR ADDITIONAL INSURED AND LOSS PAYEE	CA 20 65 Valid only in NH	08/15

TENNESSEE LESSOR - ADDITIONAL INSURED AND LOSS PAYEE DESIG OR DESCR OF LEASED AUTOS: All "autos" under a leasing or rental agreement between the "insured" and the Lessor listed above as the additional insured that requires direct primary insurance."	CA 04 30 Valid only in TN	10/13
VIRGINIA LESSOR - ADDITIONAL INSURED AND LOSS PAYEE DESIGNATION OR DESCRIPTION OF "LEASED AU: All "autos" under a leasing or rental agreement between the "insured" and the Lessor listed above as the additional insured that requires direct primary insurance."	CA 20 39 Valid only in VA	02/18
MEXICAN COVERAGE BROAD FORM MILES TRAVELED W/IN STHRN BOUNDARY OF U.S.: 25 miles TRAVEL NOT TO EXCEED CONSECUTIVE NO. OF DAYS: 10 consecutive days	65330 Valid in All States except in AK,CA,FL,HI,NY,VA	09/14
MEXICAN COVERAGE BROAD FORM MILES TRAVELED: 25 miles TRAVEL NOT TO EXCEED CONSECUTIVE NO. OF DAYS: 10	65330 Valid only in AK,CA,FL,HI	11/96
MOTOR CARRIER POLICIES OF INSURANCE FOR PUBLIC LIABILITY UNDER SECTIONS 29 AND 30 OF THE MOTOR CARRIER ACT OF 1980	MCS 90 Valid in All States	01/12
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT	IL 00 21 Valid in All States except in HI,NE,NY,WA	09/08
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)	IL 00 21 Valid only in HI	07/02
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)	IL 00 21 Valid only in NE	05/02
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT	IL 01 98 Valid only in WA	09/08
POLLUTION LIABILITY - BROADENED COVERAGE FOR COVERED AUTOS - BUSINESS AUTO AND MOTOR CARRIER COVERAGE FORMS	CA 99 48 Valid in All States except in HI,NY,VA,VT	10/13
POLLUTION LIABILITY - BROADENED COVERAGE FOR COVERED AUTOS - BUSINESS AUTO, MOTOR CARRIER AND TRUCKERS COVERAGE FORMS	CA 99 48 Valid only in CA,FL,HI	03/06
TRAILER INTERCHANGE FIRE AND FIRE AND THEFT COVERAGES	CA 23 13 Valid in All States except in AK,AL,AR,AZ,CA,CO,CT, DE,FL,GA,IA,ID,IL,IN,KS,KY,LA, MD,ME,MI,MN,MO,MS,MT,NC,ND, NE,NH,NJ,NM,NV,NY,OH,OK,OR, PA,RI,SC,SD,TN,TX,UT,VT,WA, WI,WV,WY	12/93
TRUCKERS - UNIFORM INTERMODAL INTERCHANGE ENDORSEMENT FORM UIIE - 1	CA 23 17 Valid only in CA,FL, HI,NY,VA	03/06

TRUCKERS - UNIFORM INTERMODAL INTERCHANGE ENDORSEMENT FORM UIIE-1	CA 23 17 Valid in All States except in HI,WA	10/13
WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US	62897 Valid in All States	06/95
WASHINGTON COMMON POLICY CONDITIONS	IL 01 46 Valid only in WA	08/10
WEST VIRGINIA CHANGES - COVERAGE EXTENSION FOR TEMPORARY SUBSTITUTE AUTOS	CA 01 89 Valid only in WV	10/13

NOTES ON SPECIAL COVERAGE(S) :

UM/UIM Automobile Coverage

For Uninsured Motorists coverage (UM), Underinsured Motorist coverage (UIM) and Personal Injury Protection coverage (PIP), there are specific rejection/election of coverage forms that must be completed, signed, and returned to us prior to the inception of automobile coverage. You must complete, sign and return such forms to us by the Policy(ies)' inception date of coverage. Your failure to return all required selection forms shall be deemed your acceptance that the automobile policy(ies) will be issued and rated to include the limits of UM/UIM coverage equal to the policy limits of liability, or equal to the maximum limits required by law if lower than policy limits, and the limit for PIP coverage that we are required to offer for each state. In the event you fail to return the signed forms and we apply UM/UIM and PIP limits as described herein, an additional charge for this change in coverage will be added to your Automobile Liability premium as referenced in Section 2., Program Rates and Premiums. Your acceptance of the casualty insurance program supersedes anything to the contrary in specification(s), proposal(s), quotation(s), this binder(s) or any other agreement or understanding, and you will be responsible for the payment of UM/UIM/PIP damages within your retention or deductible if applicable.

In any state permitting election of UM limit "stacking", any UM coverage contemplated herein is predicated upon rejection of the "stacking" provision by each Named Insured.

State DMV Proof of Coverage Reporting Requirements

The department of Motor Vehicles (DMV) in various states has implemented anti-fraud systems that require that proof of coverage be on file in their data bases. These various state DMV's presently mandate the filing of specific data elements as state law(s) require. These data elements must be supplied to us upon binding Automobile Liability Coverage. Without the information, we are unable to make our mandatory reports to the DMV. It is critical that you provide information in a timely manner to your representative. If we are unable to comply with the reporting requirements, it may result in loss of your tags, fines, impoundment of your vehicle(s), including cargo, and your inability to register your vehicle(s). In addition, you may be subject to state fines and penalties.

We have advised your representative as to the Automobile Liability Insurance Reporting Procedures information available on our web site. Additionally, we have advised your representative on how to retrieve templates on our web site for capture and transmission of vehicle information for such reporting.

For more information about the DMV reporting requirements, visit the Virtual Office web site at AIG.com/access

It is your responsibility to supply us, through your representative, with all of the required data on changes to your list of vehicles that are covered by the policy after the inception date of the policy. Failure to do so may result in the previously mentioned consequences.

Please contact your representative to ensure that all of the necessary information has been, and continues to be, provided to us.

Automobile Coverage where a Composite Rate Applies

For automobile coverage where a composite rate applies, the earned premium will be computed based on the number of units at inception of the casualty insurance program plus the number of units at expiration, divided by two (2).

Commercial Automobile Terrorism Risk Extension Act Of 2005 Notification

You are hereby notified that under the Terrorism Risk Insurance Extension Act of 2005 (which amends the Terrorism Risk Insurance Act of 2002), Commercial Automobile is excluded from the covered lines of the Act. While no federal backstop currently exists for Commercial Automobile, we are willing to provide you with Terrorism coverage subject to the limitations and exclusions of each automobile insurance contract. This proposal includes a charge for Terrorism coverage on Commercial Automobile Liability Insurance as referenced in Section 2., Program Rates and Premiums.

Our standard terrorism definition follows; this definition may vary, however, based on modifications required by individual state regulatory offices.

"Terrorism" means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in any connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm:

- a. A government;
- b. The civilian population of a country, state or community; or
- c. To disrupt the economy of a country, state or community.

Mass AL

Effective: 12:01 AM 01/01/2019

Liability

Coverage	Coverage Symbols	Limits
Compulsory Coverage		
Bodily Injury	1	\$20,000 each person \$40,000 each accident
Property Damage	1	\$5,000 each accident
Uninsured Motorists	10	\$20,000 each person \$40,000 each accident
Personal Injury Protection (PIP)	2	\$8,000 each person

Note: The limits shown for Optional Coverage include and are not in addition to Compulsory Limits.

Coverage	Coverage Symbols	Limits
Optional Coverage		
Combined Single Limits	1	\$5,000,000 each accident
Medical Payments	2	\$10,000 each person

Coverage Extensions and Exclusions

Name	Form #	Edition Date
BUSINESS AUTO COVERAGE FORM	CA 00 01	03/06
All Mandatory State Endorsements	Various	
ADDITIONAL INSURED - WHERE REQUIRED UNDER CONTRACT OR AGREEMENT ADDITIONAL INSURED: "Any person or organization for whom you are contractually bound to provide Additional Insured status. But only to the extent of such person's or organization's liability arising out of use of a covered "auto"."	87950	10/05
AMENDMENT OF DUTIES IN THE EVENT OF ACCIDENT, CLAIM SUIT OR LOSS	61709	12/94
AUTO MEDICAL PAYMENTS COVERAGE - MASSACHUSETTS	MM 99 13	10/06
COMMON POLICY CONDITIONS	IL 00 17	11/98
COVERED AUTO DESIGNATION SYMBOL	CA 99 54	07/97
DRIVE OTHER CAR COVERAGEBROADENED COVERAGE FOR NAMED INDIVIDUALS -MASSACHUSETTS NAME OF INDIVIDUAL, COVERAGE, DEDUCTIBLE: "All executives of the Named Insured who are furnished autos by the Named Insured and who do not have personal auto insurance."	MM 99 22	09/98
ECONOMIC SANCTIONS ENDORSEMENT	89644	06/13
EMPLOYEE HIRED AUTOS	CA 20 54	10/01
EMPLOYEES AS INSURED	CA 99 33	02/99
EXPECTED OR INTENDED INJURY EXCLUSION AMENDED (REASONABLE FORCE EXCEPTION)	67264	03/97
FELLOW EMPLOYEE EXCLUSION DELETED	86679	08/04
GARAGEKEEPERS COVERAGE	CA 99 37	03/06
HIRED AUTOS SPECIFIED AS COVERED AUTOS YOU OWN DESCRIPTION OF AUTO: ANY AUTO HIRED, LOANED, LEASED OR FURNISHED TO THE NAMED INSURED FOR A PERIOD OF SIX (6) MONTHS OR MORE.	CA 99 16	12/93

LESSOR - ADDITIONAL INSURED AND LOSS PAYEEMASSACHUSETTS	Pg 76 of 98 MM 20 26	10/06
DESIGNATION OR DESCRIPTION OF "LEASED AUTOS": All "autos" under a leasing or rental agreement between the "insured" and the Lessor listed above as the additional insured that requires direct primary insurance."		
MASSACHUSETTS CHANGES	MM 99 67	09/98
MASSACHUSETTS COMPOSITE RATING PLAN PREMIUM ENDORSEMENT	81207	11/02
SCHEDULE: SEE BINDER		
MEXICAN COVERAGE BROAD FORM	65330	11/96
MOTOR CARRIER POLICIES OF INSURANCE FOR PUBLIC LIABILITY UNDER SECTIONS 29 AND 30 OF THE MOTOR CARRIER ACT OF 1980	MCS 90	01/12
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)	IL 00 21	04/98
POLLUTION LIABILITY - BROADENED COVERAGEFOR COVERED AUTOS - BUSINESS AUTOAND TRUCKERS COVERAGE FORMS - MASSACHUSETTS	MM 99 55	10/06
TRAILER INTERCHANGE FIRE AND FIRE AND THEFT COVERAGES	CA 23 13	12/93
TRUCKERS - UNIFORM INTERMODAL INTERCHANGE ENDORSEMENT FORM UIIE - 1	CA 23 17	03/06
WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US	62897	06/95

NOTES ON SPECIAL COVERAGE(S) :

UM/UIM Automobile Coverage

For Uninsured Motorists coverage (UM), Underinsured Motorist coverage (UIM) and Personal Injury Protection coverage (PIP), there are specific rejection/election of coverage forms that must be completed, signed, and returned to us prior to the inception of automobile coverage. You must complete, sign and return such forms to us by the Policy(ies)' inception date of coverage. Your failure to return all required selection forms shall be deemed your acceptance that the automobile policy(ies) will be issued and rated to include the limits of UM/UIM coverage equal to the policy limits of liability, or equal to the maximum limits required by law if lower than policy limits, and the limit for PIP coverage that we are required to offer for each state. In the event you fail to return the signed forms and we apply UM/UIM and PIP limits as described herein, an additional charge for this change in

coverage will be added to your Automobile Liability premium as referenced in Section 2., Program Rates and Premiums. Your acceptance of the casualty insurance program supersedes anything to the contrary in specification(s), proposal(s), quotation(s), this binder(s) or any other agreement or understanding, and you will be responsible for the payment of UM/UIM/PIP damages within your retention or deductible if applicable.

In any state permitting election of UM limit "stacking", any UM coverage contemplated herein is predicated upon rejection of the "stacking" provision by each Named Insured.

State DMV Proof of Coverage Reporting Requirements

The Commonwealth of Massachusetts mandates strict adherence to its regulatory rules and regulations governing the issuance and reporting of Commercial Automobile, Truckers and Garage coverage.

To provide for accuracy and timeliness of policy issuance, it will be incumbent upon underwriting to secure 14 critical data elements from all insureds seeking coverage under a Massachusetts Auto, Truckers or Garage policy. This information sought from all insureds regardless as to whether the coverage is provided subject to schedule or composite rating includes:

1. Name of Vehicle Registrant (for each vehicle).
2. Address of Vehicle Registrant (for each vehicle) including City, State and Zip Code.
3. FEIN number for Vehicle Registrant (if Registrant is an individual, Registrant's driver's license number).
4. Garaging state of vehicle.
5. Classification (class code) of vehicle, or Use, Radius and Specific Use for each vehicle
6. Year of vehicle.
7. Make of vehicle.
8. Plate Type (Commercial, Passenger, Bus, etc.).
9. Plate / Tag number (including expiration date).
10. Complete 17 digit VIN number for each vehicle.
11. If policy is schedule rated, the Premium Town Code or Premium Town (Note - one rating territory may cover several premium towns).
12. If policy provides Physical Damage coverage, a completed copy of the Massachusetts Commercial Auto Coverage/Limits section of ACCORD form 137.
13. Cost New if Physical Damage coverage is provided.
14. Lien Holder Information, if any.

Failure of an insured to provide any of the referenced data elements will prevent binding of the insurance program.

In furtherance of meeting MA Compliance protocols, all midterm changes to the insured's fleet must be similarly documented through the above reference data elements. Failure to provide the requisite information will delay issuance of MA auto ID cards, thus hindering the insured's ability to register the vehicle.

Automobile Coverage where a Composite Rate Applies

For automobile coverage where a composite rate applies, the earned premium will be computed based on the number of units at inception of the casualty insurance program plus the number of units at expiration, divided by two (2).

Commercial Automobile Terrorism Risk Extension Act Of 2005 Notification

You are hereby notified that under the Terrorism Risk Insurance Extension Act of 2005 (which amends the Terrorism Risk Insurance Act of 2002), Commercial Automobile is excluded from the covered lines of the Act. While no federal backstop currently exists for Commercial Automobile, we are willing to provide you with Terrorism coverage subject to the limitations and exclusions of each automobile insurance contract. This proposal includes a charge for Terrorism coverage on Commercial Automobile Liability Insurance as referenced in Section 2., Program Rates and Premiums.

Our standard terrorism definition follows; this definition may vary, however, based on modifications required by individual state regulatory offices.

"Terrorism" means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in any connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm:

- a. A government;
- b. The civilian population of a country, state or community; or
- c. To disrupt the economy of a country, state or community.

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Deductible Buyback Policy
Guaranteed Cost Coverage

A Deductible Liability Protection policy, also known as the Deductible Buyback policy, buys back losses that are incurred under your filed loss reimbursement/deductible policies. A separate Deductible Liability Protection policy will be issued for each line of business for which losses are being bought back.

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Lines of Business Bought Back	WC
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Deductible Buyback Premium

Deductible Buyback Premium	\$8,859,216
Surcharges	\$0
Total Premium & Surcharges for Deductible Buyback	\$8,859,216

This Deductible Buy Back Program will be adjusted according to the rates, exposure basis and premium shown in Section 2 - Program Rates and Premium.

Coverage Extensions and Exclusions

Name	Form #	Edition Date
DED LIAB PROTECTION POLICY	62434	04/95
All Mandatory State Endorsements	Various	
DED LIAB PROTECTION POLICY DECLARATIONS PAGE	62433	04/95
ECONOMIC SANCTIONS ENDORSEMENT	89644	06/13
IN WITNESS PAGE	102873	09/09
POLICYHOLDER NOTICE	91222	07/06

NOTES ON SPECIAL COVERAGE(S) :

General Liability Coverage For Puerto Rico and Canada

☐ See Attached Canadian/Puerto Rico GL/Auto Quote

☒ Puerto Rico Coverage and Premium

☐ Canadian Coverage and Premium

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Your Coverage Trigger ✕ Occurrence Claims Made

Coverage	Limits
Each Occurrence Combined Single Limit	\$5,000,000
Personal & Advertising Injury Limit	\$5,000,000
Damage to Premises Rented to You	\$5,000,000
Medical Expense Limit (any one person)	
Employee Benefits Liability*	\$5,000,000
Subject to a Deductible of:	
<input checked="" type="checkbox"/> *A Claims Made Form – Retrospective Date 04/01/2015	
<input type="checkbox"/> *An Occurrence Form	
General Aggregate Limit – Per Policy	\$5,000,000
General Aggregate Limit – Per Location/Per Project	
Products-Completed Operations Aggregate Limit	\$5,000,000
Liquor Liability – Each Common Cause	
Liquor Liability - Aggregate Limit	

ALAE Option				ALAE Option C Excess %		Applies to
General Liability Expected Losses & Adjustments						
Coverage Description	Rate	Per	Basis Type	Estimated Basis	Minimum Premium	Estimated Premium
Puerto Rico GL Premium	2.4736	1000	Revenue	475,000,000	\$1,175,000	\$1,175,000
Other Puerto Rico Fees						\$353,737
Policy Tax						\$23,280

Total Premium					\$1,552,017
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Coverage Extensions and Exclusions

Name	Form #	Edition Date
		Non-State Specific Endorsements
<u>All Mandatory State Endorsements</u>	Various	
COMMERCIAL GENERAL LIABILITY COVERAGE FORM (OCCURRENCE VERSION)	CG 00 01	
PUERTO RICO CHANGES	CG 01 07	
WAR OR TERRORISM EXCLUSION	CG 21 69	
COMMON POLICY CONDITIONS	IL 00 17	
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)	IL 00 21	
MANDATORY PREMIUM AND COVERAGE CONDITIONS ENDORSEMENT - PUERTO RICO	IL 01 36	
EMPLOYMENT RELATED PRACTICES EXCLUSION	CG 21 47	
COVERAGE TERRITORY ENDORSEMENT (OFAC)	IL P 001	
BROAD FORM NAMED INSURED	61944	
AMENDMENT OF LIQUOR LIABILITY EXCLUSION	CG 21 60	
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM	CG 21 70	
WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US	CG 24 04	
ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES	CG 20 11	
ADDITIONAL INSURED - VENDORS	CG 20 15	
ADDITIONAL INSURED - LESSOR OF LEASED EQUIPMENT	CG 20 28	
ADDITIONAL INSURED - OWNERS, LESSEES, OR CONTRACTORS - COMPLETED OPERATIONS	CG 20 37	

NOTES ON SPECIAL COVERAGE(S) :

Automobile Coverage For Puerto Rico and Canada

☐ See Attached Canadian/Puerto Rico GL/Auto Quote

☒ Puerto Rico Coverage and Premium

☐ Canadian Coverage and Premium

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Coverage	Coverage Symbols	Limits
Combined Single Limit	1	\$5,000,000
Personal Injury Protection – Per Insured's Selection	5	
Medical Payments – Each Person Insured	2	\$10,000
Uninsured Motorists/Underinsured Motorists - Per Insured's Selection	6	

ALAE Option	ALAE Option C Excess %	Applies to

Automobile Liability Expected Losses	
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Commercial Automobile Physical Damage

Coverage	Coverage Symbols	Amount
Limit - Except for Hired Cars is Actual Cash Value or Cost To Repair, whichever is less, Minus a Comprehensive Deductible of:		
Minus a Collision Deductible of:		
If Symbol 8 is included above, the Limit for Hired Cars is Actual Cash Value or Cost To Repair, whichever is less, subject to a Maximum Limit of:		
Minus a Comprehensive Deductible of:		
Minus a Collision Deductible of:		
Automobile Physical Damage Expected Losses		

Coverage Description	Rate	Per	Basis Type	Estimated Basis	Minimum Premium	Estimated Premium
Puerto Rico AL Premium	777.142	1	Power Units	176	\$136,777	\$136,777
Other Puerto Rico Fees						\$48,591
Policy Tax						\$2,823
Total Premium						\$188,191

Coverage Extensions and Exclusions

Name	Form #	Edition Date
		<u>Non-State Specific Endorsements</u>
All Mandatory State Endorsements	Various	
PUERTO RICO CHANGES	CA 01 14	
COMMON POLICY CONDITIONS	IL 00 17	
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)	IL 00 21	
COMPULSORY LIABILITY INSURANCE POLICY NOTICE - PUERTO RICO	IL 09 01	
COMPULSORY LIABILITY INSURANCE POLICY - PUERTO RICO WAR EXCLUSION	IL 00 24	
ADDITIONAL INSURED - WHERE REQUIRED UNDER CONTRACT OR AGREEMENT	87950	
EMPLOYEES AS INSUREDS	CA 99 33	
WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US	62897	

NOTES ON SPECIAL COVERAGE(S) :

Allocated Loss and Adjustment Expenses (ALAE)

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Your responsibility for the payment of "Allocated Loss Adjustment Expenses" For Loss Sensitive Programs/Plan is:

Coverage	ALAE Option(enter ALAE Option A, B, C or D as applicable)	If ALAE Option C, enter Excess %
Workers Compensation	A(The Entire Contract),N/A,A(Florida),A(WC QSI),A(WC QSI Sears WV),A(WC QSI Kmart)	
General Liability	N/A,N/A,N/A,N/A	
Automobile Liability	N/A,N/A	

A : 100% of the total "Allocated Loss Adjustment Expenses" up to the "Retained Limit". However, the most you are responsible for with respect to damages and/or indemnity and "Allocated Loss Adjustment Expenses" combined shall not exceed the "Retained Limit".

B : 100% of the total "Allocated Loss Adjustment Expenses".

C : All or part of the "Allocated Loss Adjustment Expenses" determined according to the following:

If we incur NO obligation under the policy(ies) to pay damages resulting from a claim, you are responsible for all "Allocated Loss Adjustment Expenses" up to the applicable "Retained Limit" plus a percentage of all remaining "Allocated Loss Adjustment Expenses" in excess thereof. That percentage is shown above under "Option C Excess %"; or

If we DO incur an obligation under the policy(ies) to pay damages resulting from a claim, you will be responsible for a percentage of "Allocated Expense Adjustment Expenses". That percentage shall be determined by dividing the "Retained Limit" paid by the total damages paid, subject to the Limits of Insurance.

D : No "Allocated Loss Adjustment Expenses".

SECTION 5 - IMPORTANT NOTES Pg 85 of 98**Documentation**

By accepting this Casualty Insurance Program, the Insured agrees to provide Risk Management with the correctly completed and signed documents as required by Risk Management:

- For Loss Sensitive Programs/Plans, the Payment Agreement, including any Schedules or Addendum(s), and Security required under the Premium Deferral Plan (if applicable), within 30 days of the inception date of the program.

Please Note: The Payment Agreement, together with all schedules, addenda, policies and any related agreements between you and us, constitutes the basis for a program of insurance coverage. We would not have entered into any of them without your agreement on all of them. For that reason, you should review all such documents together when making any accounting, tax or legal determinations relating to the insurance program.

- For Auto coverage, completed UM/UIM/PIP Automobile Election/Rejection forms prior to inception of automobile coverage.
- Notice of Election Forms:
For Workers Compensation programs that are retrospectively rated or subject to a large deductible, six (6) states, Minnesota, Missouri, Nevada, New Jersey, New York and Texas, require that the carrier file an executed Notice of Election form (Letter of Certification for MN and Informational Filing for NV). The notice confirms the insured's election of such a retrospectively rated or large deductible program. The signed notices have to be filed with the respective state insurance departments within a set time period following inception of the insurance policies. Failure to file the forms exposes us to fines, penalties and a potential requirement to restructure the program so as to remove the deductible or retrospective rating plan. By acceptance of this casualty insurance program, you are obligated to assist us by signing and returning the Notice of Election forms timely so we can meet the state filing requirements. We will only request execution of those applicable forms based on the structure and exposure of your insurance program.
- For Loss Sensitive Programs, the terms and conditions permit you to select AIG Property Casualty approved TPA for claims handling; in which case, we will appoint your selected AIG Property Casualty approved TPA. To ensure our compliance with program obligations, including jurisdictional requirements, and TPA oversight, we require receipt of a signed Claim Service Agreement between AIG Property Casualty and the appointed TPA within 45 days of binding the account. The Claim Service Agreement memorializes the fees between you and the TPA, therefore it is further required that we be provided the fee structure immediately in order to execute the agreement.
Your failure to secure an agreed fee structure, resulting in delays beyond 45 days of binding, may result in our converting the program to guaranteed cost, and moving claims handling to AIG Claims, Inc. You will be billed for any increases in premium as a result of the conversion.
- For WC Coverage in the state of Florida, pursuant to Florida statute, a fully completed, executed and notarized Florida Acord 130 application within 30 days of the inception of coverage.
- A signed copy of the Acknowledgement form included in this document, which confirms acceptance of all aspects of the Casualty Insurance Program by the Insured and Agent, returned within 30 days of the inception date of the program.

All documents requiring signature must be signed by an *authorized representative* of the Insured and in some instances, on behalf of Your Insurance Representative. All documents *must* be dated as of the inception date of the program.

Failure to execute any of the requisite documents within the time periods required will render the Financial Plan of your Casualty Insurance Program void at the discretion of Risk Management. The entire amount of the "Estimated Cost" specified under the program will thereafter become immediately due and payable to us in cash. Failure to *pay premium within 5 Days of the billing date* may result in the exercise of various default remedies including, but not limited to, cancellation.

Issuance of policies under your insurance program requires your submission of critical company identifying information. Failure to provide such requested information raises serious reporting issues. Accordingly, any failure to provide requested FEIN, UIAN (unemployment numbers), Tax ID, Department of Labor or other such numbers will delay policy issuance until such information has been received by the carrier. No penalty shall attach to the carrier for delays in policy issuance arising out of any failure to timely provide the required information.

Acquisitions and Divestitures

With respect to any acquisitions or divestitures that represent a greater than 10% increase in exposure, Risk Management may, at its discretion, require a program review. That review MAY result in a premium adjustment.

Estimated Premium

The estimated premium(s) shown in this Proposal or Binder is based on rates, and experience modifications (if applicable) in use at the time this proposal is submitted to you. Any reference to Total or Final Premium is for explanatory purposes only. None of the numbers herein are intended to represent final calculation. Neither Risk Management, nor any member company of AIG Property Casualty shall be bound by the calculations arrived at in the tables shown. The tables serve merely to demonstrate the calculation process. All amounts are subject to modification through the binding process and to program adjustments after binding. The terms of the Casualty Insurance Program, our manuals of rules, classifications, rates and rating plan will determine the adjusted premium and surcharges (if any). All information required to conduct our adjustments are subject to verification and change.

Estimated Taxes, Assessments and Surcharges

Estimated taxes, assessments and surcharges are shown in Section 2 – Program Rates and Premiums. If the law changes, or a rate or assessment changes, or a new surcharge is imposed, or a state reinterprets its law, any additional taxes, assessments and surcharges will become part of Your Payment Obligation. Furthermore, certain of the assessments and/or surcharges shown in Section 2 – Program Rates and Premiums may be subject to further adjustment or modification to the extent the laws or regulations of a state/jurisdiction listed in the "States Covered" column of Section 1 – Policy Numbers, Policy Companies require that such assessments or surcharges be calculated based on some form of direct written premium, rather than standard premium or premium as determined pursuant to the applicable rating bureau manual. If necessary, the Insurer will adjust and/or modify such assessments or surcharges, following the Insurer's completion of a final audit of the applicable policy(ies), in connection with the Insurer's premium adjustment(s) made pursuant to the application of retrospective rating plans, including the Large Risk Alternative Rating Option (LRARO) or the Insurer's Large Risk Rating Plan (LRRP), as applicable.

Economic Sanctions Endorsement

If coverage is purchased and bound, the Insurer shall not be deemed to provide cover, be liable to pay any claim or provide any benefit to the extent that the provision of such cover, payment of such claim or provision of such benefit provided for by this proposal, binder or issued policies would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

Notice Applicable to Policies Issued Using the New York Free Trade Zone

For policies issued using the New York Free Trade Zone rule, the policy forms and the applicable rates are exempt from the filing requirements of the New York State Insurance Department. However, such forms and rates must meet the minimum standards of the New York Insurance Department.

Vermont Statute, Title 18: Health, Chapter 38: Lead Poisoning

Affidavit Attesting To Compliance With
§1759. Essential Maintenance Practices

In 1996, the State of Vermont passed legislation (Act 165) pertaining to lead poisoning. The Act requires owners of pre-1978 rental dwellings or apartments, and operators of child care facilities housed in buildings constructed prior to 1978, to perform ESSENTIAL MAINTENANCE PRACTICES (EMP's) unless the property is certified pursuant to Act 165 to be lead-free.

An important part of §1759 addressing EMP's requires an owner/landlord to sign an affidavit indicating essential maintenance practices have been performed, the dates they were completed, and who performed them. This affidavit attesting to compliance must be filed annually with us (as your liability insurance carrier) as well as the Vermont Department of Health.

Commercial Insurance, in accordance with instructions by the Vermont Department of Banking, Insurance, Securities and Health Care Administration, is reaffirming with owners/landlords of affected properties their obligations for compliance with Act 165. If §1759 is applicable to you, your affidavit is an important component of our underwriting file. Compliance with the Essential Maintenance Practices, and receipt of certification from a licensed inspector, provides the owner/landlord with certain liability protections.

Please ensure you follow through with certification and provide us with the required affidavit so that you enjoy the full protection the statute provides.

NOTE: This notice is not intended to detail the provisions of Act 165. Please see full text of the section of Act 165 (§1759) addressing EMP's on the internet at URL:

leg.state.vt.us/statutes/fullsection.cfm?Title=18&Chapter=038&Section=01759

Terrorism Risk Insurance Act

The Terrorism Risk Insurance Act, as amended, (the "Act") defines the term "act of terrorism" to mean any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that where coverage is provided by a policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States Government under a formula established by federal law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is detailed in the "Program Rates and Premiums" section and does not include any charges for the portion of loss that may be covered by the federal government under the Act.

You should also know that the Act contains a \$100 billion cap that limits the U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

This Proposal/Binder may contain several different lines of casualty insurance coverage.

Commercial General Liability, Liquor Liability, Owners and Contractors Protective Liability, Railroad Protective Liability, Products / Completed Operations Liability, New York Special Protective Highway, and Excess Workers Compensation: You have the right to purchase insurance coverage for losses resulting from acts of terrorism. You may accept or reject terrorism coverage for the forgoing referenced lines of business using the enclosed Policyholder Disclosure Notice, Notice of Terrorism Insurance Coverage (Right to Purchase Coverage).

Workers Compensation: Coverage for acts of terrorism is included in this Proposal/Binder. Terrorism coverage for workers compensation policies cannot be rejected. The enclosed Policyholder Disclosure Notice, Notice of Terrorism Insurance Coverage (Coverage Included) requires no insured acknowledgment.

Commercial Auto: Please be advised that as of January 1, 2006, commercial automobile insurance policies are no longer included under the Act. Where required by state law, coverage for acts of terrorism is included in this Proposal/Binder. In all other states, you have the opportunity to purchase terrorism coverage subject to the terms and conditions contained herein.

Please contact your underwriter with any questions regarding terrorism coverage for any policy included in this Proposal/Binder, including acceptance or rejection where applicable.

Payment of Premium

Wire Transfers

Your representative will be sent a premium invoice. You will be responsible to remit the amounts required to your representative who will then wire transfer the money to us, indicating the purpose for the payment. Our wire transfer account information will be made available under separate cover to your representative upon their contact with Risk Management.

Your representative must notify us the day the wire transfer is made so that we may notify our New York accounting department.

Regular Mail

Premium Payments can be mailed to the following address:

AIG Property Casualty
P.O. Box 10472
Newark, NJ 07193

Express Mail

Premium Payments can be express mailed to the following address:

AIG Property Casualty
4 CHASE METRO TECH CENTER, 7th FLOOR EAST
LOCKBOX 10472
BROOKLYN, NY 11245

Premium audits are required in all states covered under your Casualty Insurance Program. Risk Management has a staff devoted to the professional auditing of our accounts. An auditor will be available to meet with you to set the parameters and timetable for the audit process. Records for audit purposes should be available at each location within 30 days after the policy(ies) anniversary or expiration.

California Access to records requirement:

As called for under California law, your workers compensation policy will contain a policy holder notice endorsement that requires you to provide us access to records necessary to perform a payroll verification audit. Your failure to provide access within the time period set out in the form (90 days after expiration of the policy), will render you liable to pay a total premium equal to 3 times our current estimate of the annual premium for your policy.

The form also provides that in the event you fail to provide access after our third request, you will also be liable for our costs in attempting to perform the audit.

Any premium adjustment developed in the course of an audit of programs/plans that are subject to the terms of the Payment Agreement will be deferred until Plan Adjustment. Changes in the premium amount, based on the completed audits, of all other types of program/plans, including Guaranteed Cost programs, will be due within 30 days of the billing date.

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE
(RIGHT TO PURCHASE COVERAGE)

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING JANUARY 1, 2018; 81% BEGINNING JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

<input type="checkbox"/>	I hereby elect to purchase terrorism coverage for a prospective premium of \$
<input checked="" type="checkbox"/>	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant's Signature

Policyholder/Applicant's Printed Name

Date

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POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE
(COVERAGE INCLUDED)

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term “act of terrorism” means any act that is certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is shown in the “Program Rates and Premiums” section as a separate line item, and does not include any charges for the portion of losses covered by the United States government under the Act.

Name of Insurer: The AIG member company(s) listed in Section 1 of this Proposal/Binder
Policy Number: Provided for in your Binder

PN990006 (1/15)
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**NOTICE OF ELECTION TO ACCEPT OR REJECT AN INSURANCE DEDUCTIBLE
FOR DELAWARE WORKERS' COMPENSATION DEATH AND MEDICAL BENEFITS**

Delaware Law permits an employer to buy workers' compensation insurance with a deductible. The deductible is for death and medical benefits and applies to each accident.

You are not required to choose a deductible program. However, if you do so choose, it is to be understood that your insurance company will administer and pay all claims and that you will reimburse the insurance company for payments it makes within the amount of the deductible selected. Failure to reimburse the insurance company for such deductible amounts within 30 days can result in cancellation of coverage.

Please show whether or not you want the deductible by initiating the appropriate choice below.

_____ Yes, I want a deductible of _____ applied to death and medical benefits under the Delaware Workers Compensation Law. I understand that the company shall pay the deductible amount and be reimbursed by the employer shown below.

_____ No, I do not want the deductible described in this Notice.

I understand that in accordance with 19 Del. C. §2372, I have the option of modifying the above deductible program choice at the time of renewal of my workers' compensation insurance policy with the insurance company named below.

Date _____

Employer Name _____

Title _____

Insurance Company _____

OKLAHOMA WORKERS COMPENSATION MEDICAL DEDUCTIBLE ACCEPTANCE/REJECTION FORM 35-3B

Oklahoma law requires insurers to offer a medical claims deductible on all Oklahoma Workers Compensation policies. Five medical deductible options are available. You are not required to select the medical deductible option, but if you choose to exercise this option, you may choose only one deductible amount. Please carefully review the requirements for the medical deductible option outlined below.

MEDICAL DEDUCTIBLE OPTIONS

The medical claims deductible options are five hundred dollars (\$500), one thousand dollars (\$1,000), one thousand five hundred dollars (\$1,500), two thousand dollars (\$2,000), and two thousand five hundred dollars (\$2,500). If you choose one of these options, you will be liable for the amount of the deductible for the medical benefits paid on **every claim** for bodily injury by accident or disease filed by an injured employee. Claims amounts up to five hundred dollars (\$500) annually which are paid under the deductible will be excluded from your experience modifier.

EMPLOYER OBLIGATIONS IF MEDICAL DEDUCTIBLE OPTION IS SELECTED

Oklahoma law prohibits you from directly or indirectly charging to or passing on the medical deductible amount to the injured worker or the insurer.

If you choose a medical deductible option, the insurer will pay the entire cost of medical bills directly to the provider of the services and then seek reimbursement from you for the deductible amount. The insurer will bill you for the deductible amount. **WARNING: You must reimburse the insurer within sixty days of a written demand. If you fail to reimburse the insurer within sixty days, the insurer may seek to recover the full amount of such claim from you.**

ACCEPTANCE/REJECTION

☐ Yes, I have read the medical deductible information outlined above and want the following medical deductible amount to apply to medical claims under Oklahoma Workers' Compensation Law. I understand that this medical deductible applies to **every claim** for bodily injury by accident or disease filed by an injured employee.

☐ \$ 500

☐ \$1,000

☐ \$1,500

☐ \$2,000

☐ \$2,500

☐ No, I do not want the medical deductible described in this notice.

NAMED INSURED _____

ADDRESS _____

TITLE _____

SIGNATURE _____

DATE _____

THIS FORM IS NOT A PART OF YOUR POLICY AND DOES NOT PROVIDE COVERAGE.

POLICYHOLDER NOTICE

EMPLOYER OPTION FOR REIMBURSEMENT OF MEDICAL EXPENSES ON NON-DISABLING CLAIMS

Oregon law allows you to reimburse us for medical expenses up to an amount defined by the Workers' Compensation Division, Department of Consumer and Business Services. This amount is subject to an annual adjustment ("maximum reimbursable amount"). This option allows you to eliminate the claim (if paid in full) or a portion of the claim cost from consideration when determining future experience modifications or other charges based on losses.

A non-disabling claim is a claim in which the injured employee does not receive any payment from us for time lost from work (i.e., only medical payments are made). These claims are considered minor in nature, and the injured employee returns to work within a few hours or days.

Election of this option will not impact your experience modification for a minimum of two years. Also, there are other factors which will affect your experience modification.

Enrollment in the program will continue until: 1) you notify AIG in writing, to cancel your participation or 2) you obtain insurance with another carrier.

If you elect to participate in this Program, you must continue to report all claims to us. We will continue to decide eligibility for benefits, audit medical bills, and otherwise ensure that the claim is accurately processed in a timely fashion.

To participate in this Program please provide the information requested below, sign and date this form and submit it to your agent with a copy to AIG Property Casualty Recovery Services, 5 Wood Hollow Road 3 Floor, Parsippany, NJ07054. Your participation will commence the first full policy quarter after we receive a completed form.

If we have not received this form within 30 days after policy issuance, we will presume you have rejected participation in the Program.

I elect to reimburse AIG medical expenses for each accepted non-disabling Workers Compensation claim that occurs during the policy year, up to the "maximum reimbursable amount" defined by the Oregon Workers' Compensation Division, Department of Consumer and Business Services, as follows :

☐ Annual

☐ Semi-Annual

☐ Quarterly

(select only one option)

Signature of Authorized Employer Representative _____

Date _____

Insured:

Policy number:

Within 30 days of the end of each policy quarter we will send you a list of eligible claims together with an invoice for the reimbursable amount per claim.

Within 30 days of the receipt of this list and invoice you must reimburse us the dollar amount of whatever your above selected option specifies to reimburse us (i.e., reimbursement is required every other quarter if 'Semi-Annually' is selected above, or at the end of the policy term if 'Annually' is selected).

If we do not receive your reimbursement within 30 days of expected receipt, we will interpret this to mean you do not desire to participate in the program for that quarter, half-year or year as selected above.

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(Ed. 01/12)

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**DEDUCTIBLE NOTICE OF ELECTION TO ACCEPT
TEXAS WORKERS' COMPENSATION BENEFITS**

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM forms a part of Policy No.

Issued to

By

Texas law permits an employer to obtain Workers' Compensation insurance with a deductible. The deductible applies to benefits payable under Texas Workers' Compensation Law. The insurance applies only to benefits in excess of the deductible amount. The deductible applies separately to each accident or disease regardless of the number of people who sustain injury by such accident or disease or as an annual aggregate or as a combination of both. The deductible plans have been explained to me. Premium reductions are determined based on the deductible selected and the hazard group. The hazard group is determined by the classification that produces the largest amount of estimated Texas standard premium.

You are not required to choose a deductible. If you do choose one, your insurance company will pay the deductible amount for you, but you must reimburse the insurance company within 30 days after they send you notice that payment is due. If you fail to reimburse the insurance company, they may cancel the policy, upon ten days written notice, and any resulting premium may be applied to the deductible amount owed.

If a deductible amount is desired, please indicate below.

☐ Yes, I want a deductible of: (select only one)

1. per accident
2. annual aggregate
3. / per accident/annual aggregate

applied to benefits payable under the Texas Workers' Compensation Law. I understand that the company will pay the deductible amount and seek reimbursement

(monthly, quarterly or other)

☐ No, I do not want a deductible applied to benefits payable under the Texas Workers' Compensation Law.

☐ Yes, I do want a deductible policy, but I'm unable to obtain for the following reason:

LWNTXDED
(Ed. 2-92)

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Employer Name (Print or type) _____

_____ Date

Signature & Title _____

_____ Policy Number

Countersigned by _____ Authorized Representative

LWNTXDED
(Ed. 2-92)

SPECIMEN

NOTICE TO EMPLOYER: If you have a Drug-Free Workplace Program established and maintained in accordance with Florida law, and you would like to apply for the 5% premium credit that is available, please complete this form and forward it to your insurer. Re-certification is required annually.

APPLICATION FOR DRUG-FREE WORKPLACE PREMIUM CREDIT PROGRAM

Name of Employer: _____

Date Program Implemented: _____

Testing:

Procedures for drug testing have been established and/or drug testing has been conducted in the following areas:

- | | |
|---|---|
| <input type="checkbox"/> Job Applicant | <input type="checkbox"/> Routine fitness for duty |
| <input type="checkbox"/> Reasonable suspicion | <input type="checkbox"/> Follow-up testing to Employee Assistance Program |

Notice of Employer's Drug Testing Policy:

- | | |
|--|--|
| <input type="checkbox"/> Copy to all employees prior to testing | <input type="checkbox"/> Show notice of drug testing on vacancy announcements |
| <input type="checkbox"/> Posted on employer's premises | <input type="checkbox"/> Copies available in personnel office or other suitable locations |
| <input type="checkbox"/> Copy to job applicants prior to testing | <input type="checkbox"/> No notice required because the employer had a drug testing program in place prior to July 1, 1990 |
| <input type="checkbox"/> General notice given 60 days prior to testing | |

Education:

- ☐ Resource file on providers
- ☐ Employee Assistance Program
- ☐ Education

Name of Medical Review Officer: _____

A. Name of approved Agency for Health Care Administration Lab or United States Department of Health and Human Services Certified Laboratory: _____

B. Phone No.: () _____

C. Address: _____

Your certification is subject to physical verification by the insurer. Your policy is subject to additional premium for reimbursement of premium credit, and cancellation provisions of the policy if it is determined that you misrepresented your compliance with Florida law. Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

_____ Employer Name	_____ Date	_____ Officer/Owner Signature*
		_____ Title

* Application must be signed by an officer or owner.

THE ABOVE SIGNED CERTIFIES THAT THIS INFORMATION IS A TRUE AND FACTUAL DEPICTION OF THEIR CURRENT PROGRAM.

_____ Notary Public's Signature	_____ Date	_____ Expiration of Commission
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(NC3010)
Form 09-01 Revised 7/04

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SECTION 7 - COMMISSION

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BROKER: JLT SPECIALTY INSURANCE SERVIC**ACCOUNT:** SEARS HOLDINGS CORPORATION

This Proposal:

☐ is Net of Commission (check this box if no commission applies).☒ includes Commission payable to the broker listed above (check this box if commission applies and complete the details below).

Coverage	Dollar Amount	Commission Adjustment Basis
Workers Compensation	\$234,000	Flat Dollar Amount (not adjustable)
General Liability		
Automobile Liability	\$66,000	Flat Dollar Amount (not adjustable)
Total	\$300,000	

Commission will be paid:

Over the Policy Period and any deferred payment period in proportion to the individual installments & deferred payments.

Payment Of Counter Signature Fees (If Any) Shall Be the Responsibility of the Broker.